ALJ/J06/abb

Decision 25-04-028 April 24, 2025

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Sequoia Wireless, LLC for a Certificate of Public Convenience and Necessity to provide resold and limited facilities-based local exchange and interexchange telecommunications services within the state of California.

Application 24-11-003

DECISION GRANTING SEQUOIA WIRELESS, LLC A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE COMPETITIVE LOCAL EXCHANGE SERVICES AND INTEREXCHANGE SERVICES

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DECISION GRANTING SEQUOIA WIRELESS, LLC A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE COMPETITIVE LOCAL EXCHANGE SERVICES AND INTEREXCHANGE SERVICES

Summary

Pursuant to Public Utilities Code Section 1001, the Commission grants Sequoia Wireless, LLC a Certificate of Public Convenience and Necessity to provide limited facilities-based and resold competitive local exchange services and limited facilities-based and resold interexchange services subject to the terms and conditions set forth in the Ordering Paragraphs.

Application 24-11-003 is closed.

1. Background

On November 1, 2024, Sequoia Wireless, LLC (Sequoia Wireless or Applicant), a California limited liability company (LLC) authorized to do business in California, filed an application for a certificate of public convenience and necessity (CPCN) to provide limited facilities-based and resold competitive local exchange services and limited facilities-based and resold interexchange services.

Sequoia Wireless proposes providing the local exchange and interexchange service to residential customers. Sequoia Wireless's principal place of business is located at 29034 Westbourne Court, Hayward, California 94544. Sequoia Wireless is currently registered with the Commission as a reseller of wireless services via a Wireless Identification Registration and authorized as California Only California LifeLine Provider.¹

¹ Resolution T-17831.

On December 20, 2024, the assigned Administrative Law Judge (ALJ) issued a ruling requesting additional information. On January 6, 2025, the Applicant filed a timely response.

A prehearing conference (PHC) was held on January 10, 2025. The assigned Commissioner issued a scoping memo and ruling on January 29, 2025.

On February 19, 2025, the assigned ALJ issued a ruling (February 2025 Ruling) requesting additional information within 10 days. The Applicant filed a timely response On March 3, 2025.

2. Submission Date

This matter was submitted on March 3, 2025, upon the Applicant's response to the February 2025 Ruling.

3. Issues Before the Commission

The issues in this proceeding are as follows:

1. Whether Sequoia Wireless meets all of the Commission requirements, including but not limited to financial, technical, and California Environmental Quality Act (CEQA) requirements for a CPCN.

4. Jurisdiction

The Commission has broad jurisdiction over "public utilities,"² as defined in Public Utilities (Pub. Util.) Code Section 216.³ California's constitution extends the Commission's jurisdiction to companies engaged in "the transmission of telephone and telegraph messages," which includes both public utility services

² Pub. Util. Code §216.

³ Pub. Util. Code §234.

and facilities.⁴ The Commission classifies entities providing two-way voice communications service for compensation within California as "telephone corporations"⁵ and regulates them as public utilities.^{6,7}

As part of its regulatory authority over "telephone corporations," the Commission authorizes certificates of public convenience and necessity to "telephone corporations" seeking to construct a "line, plant, or system, or any extension thereof" in California.⁸ Pub. Util. Code Section 233 defines a "telephone line" to include "all conduits, ducts, poles, wires, cables, instruments, and appliances, and other real estate, fixtures, and personal property owned or controlled, operated, or managed in connection with or to facilitate communication by telephone, whether such communication is had with or without the use of transmission wires." This includes services delivered over any technology, including but not limited to, traditional copper lines, coaxial cable, fiber optic cable, and mobile or fixed wireless radios.

Providers of voice services, including local exchange carriers, interexchange carriers, and interconnected Voice over Internet Protocol (VoIP) service providers, are telephone corporations subject to the Commission's jurisdiction.⁹ Providers of local exchange, interexchange, and fixed

⁴ See Decision (D.) 20-07-011, at 14-15, See Cal. Const., Art. XII, §§1-6; Pub. Util. Code §701.

⁵ Pub. Util. Code §§216, 233, 234; D.22-10-021 at 68.

⁶ Pub. Util. Code §216(a).

⁷ Telephone corporations are required to file annual affiliate transaction reports, and pay surcharges and user fees.

⁸ Pub. Util. Code §1001.

⁹ Pub. Util. Code §§216, 233, 234; D.22-10-021 at 68; D.24-11-003 at 003.

interconnected VoIP services must obtain a CPCN or 1013 registration license to operate in California.¹⁰ Providers of only nomadic interconnected VoIP are subject to the Commission's jurisdiction for rules of general applicability and preempted from licensing requirements that act as barriers to market entry; these providers must obtain a nomadic registration to operate in California.¹¹

Sequoia Wireless proposes to provide limited facilities-based and resold competitive local exchange services and limited facilities-based and resold interexchange services. Sequoia Wireless is a telephone corporation and a public utility subject to the Commission's jurisdiction.

5. Proposed Construction and California Environmental Quality Act (CEQA) Compliance

Applicant proposes to provide limited facilities-based service and resold service. Pursuant to CEQA¹² and Rule 2.4 of the Commission's Rules of Practice and Procedure (Rules), the Commission acts as the designated lead agency to consider the environmental consequences of projects that are subject to the Commission's approval to determine any potential environmental impacts, to avoid adverse effects, investigate alternatives, and ensure that any affected environmental impact is restored or otherwise mitigated to the fullest extent possible under CEQA. Since Sequoia Wireless states that it does not intend to construct any facilities other than equipment to be installed in existing buildings or structures, it can be seen with certainty that there is no possibility that

¹⁰ D.24-11-003.

¹¹ *Ibid*.

¹² Public Resources Code §21000 *et seq*.

granting this application will have an adverse impact upon the environment.¹³ Before Sequoia Wireless can construct facilities other than equipment to be installed in existing buildings or structures, it must file for additional authority and submit to any necessary CEQA review.

Granting this CPCN will benefit the public interest by expanding the availability of technologically advanced telecommunications services within the state.

6. Financial Qualifications

To be granted a CPCN for authority to provide limited facilities-based and resold services, a new applicant must demonstrate that it has a minimum of \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses.¹⁴ In its application, Sequoia Wireless provided bank statements showing it had at least \$100,000. Since Sequoia Wireless provided documentation it possesses a minimum of \$100,000 that is reasonably liquid and available, it has demonstrated that it has sufficient funds to meet its start-up expenses and fulfilled this requirement. Sequoia Wireless' financial documentation will be subject to verification and review by the Commission for one-year to ensure that such funds are available. Accordingly, Sequoia Wireless must demonstrate that it maintained at least \$100,000 that was reasonably liquid and available for its first year of operations by providing the Commission's Communications Division with a confidential copy of its updated financial

¹³ See D.99-10-025; D.24-11-003.

¹⁴ The financial requirement for CLECs, NDIECs, and fixed interconnected VoIP providers is contained in D.24-11-003, Appendix F.

documentation at both six and 12-months from the issuance date of this decision by e-mail to <u>cdcompliance@cpuc.ca.gov</u>.

In addition to demonstrating financial fitness, Sequioa Wireless must also demonstrate it has an additional \$25,000 available for deposits to interconnect with local exchange carriers. Since Sequioa Wireless provided documentation of its ability to pay deposits in its response to the February 2025 Ruling, it has met its deposit requirement.

7. Technical Qualifications

To be granted a CPCN for authority to provide competitive local exchange and interexchange service an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.¹⁵ Sequoia Wireless supplied biographical information on its management in Attachment B of its application and in the response to the February 2025 Ruling that demonstrate the applicant has sufficient expertise and training to operate as a telecommunications provider.

8. Certification Requirements

In its application, Sequoia Wireless affirmed that no one associated with or employed by Sequoia Wireless as an affiliate, officer, director, partner, or owner of more than 10 percent of Sequoia Wireless, or anyone acting in a management capacity for Sequoia Wireless:

- a. held one of these positions with a company that filed for bankruptcy;
- b. been personally found liable, or held one of these positions with a company that has been found liable, for

¹⁵ D.95-12-056 at Appendix C, Rule 4.A as modified by D.13-05-035 and D.24-11-003.

fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others;

- c. been convicted of a felony;
- d. been (to his/her knowledge) the subject of a criminal referral by 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.*,
 [Sections] 17200 *et seq.*, or [Sections] 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or
- 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.¹⁶

Also, to the best of Sequoia Wireless' knowledge, neither Sequoia Wireless, nor any affiliate, officer, director, partner, nor owner of more than 10 percent of Sequoia Wireless, or any person acting in such capacity whether or not formally appointed, is being, or has been investigated by the Federal Communications

¹⁶ These certifications are required by D.13-05-035, OP 14; D.24-11-003.

Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.¹⁷ For the foregoing reasons, this decision finds that Sequoia Wireless is in compliance with the requirements of D.13-05-035 and D.24-11-003.

9. Tariffs

Competitive local exchange carriers (CLECs), Interexchange carriers (IECs), and fixed interconnected VoIP providers requesting de-tariffed status and may be exempt from the requirement to file tariffs provided they do not provide basic service as defined by D.12-12-038 and comply with the consumer protection rules identified in D.98-08-031. Sequoia Wireless indicated it will not offer services that require a tariff or schedule and therefore de-tariffed status is granted.

In the future, if Sequoia Wireless decides to offer services that require a tariff or schedule, such as basic service, Applicant must submit proposed tariffs and/or user guides to the Commission's Communications Division by Tier 2 Advice Letter using the General Order (GO) 96B advice letter process at least 30-days before initiation of service.¹⁸

10. Service Territory and Map Requirements

To be granted a CPCN for authority to provide competitive local exchange service, a CLEC shall file a service territory map with the Commission that details the area in which the CLEC is authorized to provide service.¹⁹ CLECs

¹⁷ *Ibid*.

¹⁸ D.12-12-038.

¹⁹ D.95-12-056 at Appendix C, Rule 4.F.

shall be required to serve customers requesting service within their designated service territory on a nondiscriminatory basis, but shall not be required to have the same service territory as LEC service territories.²⁰

Sequoia Wireless proposes to provide competitive local exchange services in the service territories of Pacific Bell Telephone Company d/b/a AT&T California (AT&T California), Frontier California, Inc. (Frontier California), Citizens Telecommunications Company of CA, Inc. d/b/a Frontier Communications of California (Frontier Communications), and Consolidated Communications of CA Company (Consolidated Communications). Sequoia Wireless provided a map of the service territory it proposes to provide local exchange services, in compliance with D.95-12-056's service territory map requirement.

11. Expected Customer Base

Sequoia Wireless provided its estimated customer base for the first and fifth years of operation in its application. Therefore, Sequoia Wireless has complied with this requirement.

12. Request for Treatment as a Non-dominant Interexchange Carrier

Applicant requests treatment as a non-dominant interexchange carrier (NDIEC), as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044. The Commission recently streamlined and updated the requirements for CLECs and NDIECs, and established a regulatory framework for VoIP providers in D.24-11-003. Therefore, Sequoia Wireless is accorded all

²⁰ Ibid.

exemptions traditionally granted to NDIECs without the need for an individual grant for such treatment in this decision. Accordingly, Sequoia Wireless' request for NDIEC treatment is moot. Applicant must follow the requirements as summarized and provided for by D.24-11-003,²¹ and as indicated in Appendices B through D.

13. Safety Considerations

With the adoption of the *Safety Policy Statement of the California Pub. Util. Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. The Commission considered the potential safety implications here and is satisfied that Sequoia Wireless will meet the Commission's minimum safety goals and expectations of CLECs and interexchange carriers because:

- Sequoia Wireless has taken steps to meet the financial requirements as set forth in this decision for a limited-facilities-based CLECs and interexchange carriers; and
- 2. Sequoia Wireless is a public utility that is required pursuant to Pub. Util. Code Section 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."

14. Conclusion

²¹ D.24-11-003 at 58-82 (Section 8.2).

Sequoia Wireless' application conforms with the Commission's rules for certification as a competitive local exchange carrier and interexchange carrier. Accordingly, the Commission grants Sequoia Wireless' CPCN to provide limited facilities-based and resold competitive local exchange services in the service territories of AT&T California, Frontier California, Frontier Communications, and Consolidated Communications and limited facilities-based and resold interexchange services throughout California subject to compliance with the terms and conditions set forth in the OPs.

The CPCN granted by this decision provides benefits to Sequoia Wireless and corresponding obligations. Sequoia Wireless receives authority to operate in the prescribed service territory, and this authority enables Sequoia Wireless, pursuant to Section 251 of the 1934 Communications Act, as amended by the 1996 Telecommunications Act (47 U.S.C. Section 251), to interconnect with telecommunications carriers.²²

In return, Sequoia Wireless is obligated to comply with all Pub. Util. Code provisions, Commission rules, GOs, and decisions applicable to telephone corporations providing approved services. The applicable statutes, rules, GOs, and decisions include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, Sequoia Wireless is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix B of this decision, to comply with CEQA, and to adhere to

²² The California Pub. Util. Code uses the term "telephone corporation." Its counterpart in federal law is a "telecommunications carrier."

Pub. Util. Code Section 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." Granting this application will benefit the public interest by expanding the availability of technologically advanced telecommunications services within the state.

15. Additional Requirements for Applicants Following Commission's Grant of CPCN

The CPCN granted in this decision is contingent upon Sequoia Wireless' compliance with several requirements:

- 1. Rendering service to customers within 12-months from the effective date of this decision;
- 2. Using its assigned corporate identification number in the caption of all original filings with the Commission;
- 3. Filing in this docket a written acceptance of the certificate granted in this proceeding within 30-days of the effective date of this decision;
- 4. Providing the name, address, e-mail address, and telephone number of its designated primary regulatory/official contact person to the Commission's Communications Division within five-days of written acceptance of its certificate;
- 5. Providing the name, address, e-mail address, and telephone number of its designated contact person for purposes of resolving consumer complaints to the Commission's Consumer Affairs Branch within five-days of written acceptance of its certificate;

- 6. Submitting a Tier-1 Advice Letter containing a copy of the license holder's executed performance bond within 30-days of the effective date of this decision;
- 7. Submitting its compliance with Public Utilities Code Section 708, Employee Identification Cards, to the Commission's Director of the Communications Division, in writing, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>, within 60-days of the effective date of this decision;
- Providing the date that competitive local exchange service is first rendered to the public, to the Commission's Director of the Communications Division, in writing, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>, no later than five-days after service first begins.

These requirements are in addition to Sequoia Wireless' ongoing obligation to be subject to all the current requirements applicable to *competitive local exchange carriers and interexchange carriers* included in Attachments B, C, and D to this decision (including annual affiliate transaction reports, ongoing performance bond requirements, and payment of surcharges and user fees); all Consumer Protection Rules contained in GO 168; and all applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities on an ongoing basis.

16. Summary of Public Comments

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be

summarized in the final decision issued in that proceeding. There were no public comments on the docket card for this proceeding.

17. Comments on Proposed Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Pub. Util. Code and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

18. Assignment of Proceeding

Matthew Baker is the assigned Commissioner and Joanna Perez-Green is the assigned ALJ in this proceeding.

Findings of Fact

1. Sequoia Wireless is a limited liability company authorized to do business in California.

2. Sequoia Wireless' principal place of business is 29034 Westbourne Court, Hayward, California 94544.

3. Sequoia Wireless proposes to provide limited facilities-based and resold competitive local exchange services and limited facilities-based and resold interexchange services.

4. Sequoia Wireless will not construct any facilities other than equipment to be installed in existing buildings or structures.

5. Granting this CPCN will expand the availability of technologically advanced telecommunications services within the state.

6. Sequoia Wireless has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

7. Sequoia Wireless has an additional \$25,000 to cover deposits that may be required by other telephone corporations in order to provide the proposed service.

8. Sequioa Wireless' management possesses sufficient experience, knowledge, and technical expertise to provide local exchange and interexchange services to the public.

9. No one associated with or employed by Sequoia Wireless as an affiliate, officer, director, partner, agent, or owner (directly or indirectly) of more than 10 percent of Sequoia Wireless, or anyone acting in a management capacity for Sequoia Wireless:

- a. Held one of these positions with a company that filed for bankruptcy;
- 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 a criminal referral by 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 Section 17000 *et seq.*, Section 17200 *et seq.*, or Section 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, 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.

10. To the best of Sequoia Wireless' knowledge, neither Sequoia Wireless, or any affiliate, officer, director, partner, nor owner of more than 10 percent of Sequoia Wireless, or any person acting in such capacity whether or not formally appointed, is being, or has been investigated by the FCC or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

11.Sequoia Wireless requested and is eligible for exemption from tariffing requirements and must observe the consumer protection rules adopted in D.98-08-031 and D.24-11-003.

12. Sequoia Wireless proposes to operate in the service territories of AT&T California, Frontier California, Frontier Communications, and Consolidated Communications.

13.Sequoia Wireless provided a map showing the location of its proposed construction or extension, and its relation to other public utilities, corporation, person, or entities with which the same is likely to compete.

14.Sequoia Wireless is eligible for all exemptions traditionally accorded NDIECs through D.24-11-003, without need for an individual grant of such treatment in this decision.

15.Sequoia Wireless provided an estimate of its customer base for the first and fifth-year of operation.

16.Sequoia Wireless will meet the Commission's minimum safety goals.

Conclusions of Law

1. Sequoia Wireless should be granted a CPCN to provide limited facilities-based and resold competitive local exchange services in the service territories of AT&T California, Frontier California, Frontier Communications, and Consolidated Communications and limited facilities-based and resold interexchange services throughout California, subject to the terms and conditions set forth in this decision.

2. Sequoia Wireless is a telephone corporation and a public utility as defined in Pub. Util. Code Sections 234(a) and 216(a).

3. Sequoia Wireless should be granted limited facilities-based authority and may not construct any facilities other than equipment to be installed in existing buildings or structures.

4. Granting Sequoia Wireless a CPCN is in the public interest.

5. Sequoia Wireless meets the financial requirement for a CPCN pursuant to D.24-11-003.

6. Sequoia Wireless should demonstrate that it maintained at least \$100,000 that was reasonably liquid and available for its first year of operations by providing the California Public Utilities Commission's Communications Division with a confidential copy of its updated financial documentation at both six and 12-months from the issuance date of this decision by providing updated bank

statements within eight and 14-months, respectively, as an information-only submittal by e-mail to <u>cdcompliance@cpuc.ca.gov</u>.

7. Sequoia Wireless meets the technical managerial requirements for a CPCN pursuant to D.13-05-013 and D.24-11-003.

8. Sequoia Wireless meets the certification requirements for a CPCN pursuant to D.13-05-013 and D.24-11-003.

9. Sequoia Wireless is exempt from tariffing. In the future, if Sequoia Wireless decides to offer services that require a tariff or schedule, such as basic service, Applicant should submit proposed tariffs and/or user guides to the Commission's Communications Division via Tier 2 Advice Letters using the General Order 96-B advice letter process at least 30-days before initiation of service.

10.Sequoia Wireless met the map requirement pursuant to D.95-12-056.

11.Sequoia Wireless' request for NDIEC treatment should be denied as moot.

12. The certificate granted, and the authority for Sequoia Wireless to render service to customers under the rates, charges, and rules authorized, should expire if not exercised, by offering or actively providing service on a wholesale and/or resale basis, after 12-months from the effective date of this decision. Sequoia Wireless should be responsible for seeking approval for an extension of time to comply with this decision pursuant to Rules of Practice and Procedure Rule 16.6.

13. The Sequoia Wireless should be assigned utility identification number U-7467-C and should be responsible for using this as its corporate identification number in the caption of all original filings with this Commission, in the titles of

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other pleadings filed in existing cases, and informal submissions to the Commission.

14.Sequoia Wireless should file in this docket a written acceptance of the certificate granted in this proceeding within 30-days of the effective date of this decision. The written acceptance filed in this docket does not reopen the proceeding.

15.Sequoia Wireless should provide the name, address, e-mail address, and telephone number of its designated primary regulatory/official contact person to the California Public Utilities Commission's Communications Division, in writing, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>, within five-days of written acceptance of its certificate.

16.Sequoia Wireless should provide the name, address, e-mail address, and telephone number of its designated contact person for purposes of resolving consumer complaints to the California Public Utilities Commission's Consumer Affairs Branch within five-days of written acceptance of its certificate.

17.Sequoia Wireless should submit a Tier 1 Advice Letter containing a copy of the license holder's executed performance bond in accordance with the process established in D.10-09-017/D.11-09-026 and modified by D.13-05-035 and Decision 24-11-003 to the California Public Utilities Commission's Communications Division within 30-days of the effective date of this decision.

18.Sequoia Wireless should submit its compliance with Public Utilities Code Section 708, Employee Identification Cards, to the California Public Utilities Commission's Director of the Communications Division, in writing, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>, within 60-days of the effective date of this decision. 19.Sequoia Wireless should provide the date that competitive local exchange service is first rendered to the public, to the California Public Utilities Commission's Director of the Communications Division, in writing, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>, no later than five-days after service first begins.

20.Sequoia Wireless should be subject to all the current requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision (including annual affiliate transaction reports, ongoing performance bond requirements, and payment of surcharges and user fees); all Consumer Protection Rules contained in General Order 168; and all applicable California Public Utilities Commission rules, decisions, General Orders, and statutes that pertain to California public utilities on an ongoing basis.

21.All rulings by the assigned Commissioner and the assigned ALJ should be affirmed.

22. All pending motions should be deemed denied.

23. This proceeding should be closed.

ORDER

IT IS ORDERED that:

 A Certificate of Public Convenience and Necessity is granted to Sequoia Wireless, LLC to provide limited facilities-based and resold competitive local exchange services in the territories of Pacific Bell Telephone Company d/b/a AT&T California (AT&T California), Frontier California, Inc (Frontier California), Citizens Telecommunications Company of California, Inc. d/b/a Frontier

Communications of California (Frontier Communications), and Consolidated Communications of California Company (Consolidated Communications, formerly SureWest Telephone), and limited facilities-based and resold interexchange services throughout California subject to the terms and conditions set forth in this decision.

2. Sequoia Wireless, LLC must not construct any facilities other than equipment to be installed in existing buildings or structures.

3. Sequoia Wireless, LLC must demonstrate that it maintained at least \$100,000 that was reasonably liquid and available for its first-year of operations by providing the California Public Utilities Commission's Communications Division with a confidential copy of its updated financial documentation at both six and 12-months from the issuance date of this decision by providing updated bank statements within eight and 14-months, respectively, as an information-only submittal by e-mail to <u>cdcompliance@cpuc.ca.gov</u>.

4. Sequoia Wireless, LLC may operate on a de-tariffed basis. In the future, if Sequoia Wireless decides to offer services that require a tariff or schedule, such as basic service, Applicant must submit proposed tariffs and/or user guides to the California Public Utilities Commission's Communications Division via a Tier-2 Advice Letter using the General Order 96-B process at least 30-days before initiation of service.

5. Sequoia Wireless, LLC's motion for non-dominant carrier status treatment is denied as moot.

6. The certificate granted, and the authority for Sequoia Wireless, LLC to render service to customers under the rates, charges, and rules authorized, will

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expire if not exercised, by offering or actively providing service on a wholesale and/or resale basis, after 12-months from the effective date of this decision. Applicant is responsible for seeking approval for an extension of time to comply with this decision pursuant to Rules of Practice and Procedure Rule 16.6.

7. The Sequoia Wireless, LLC is assigned utility identification number U-7467-C and is responsible for using this as its corporate identification number in the caption of all original filings with the California Public Utilities Commission (Commission), in the titles of other pleadings filed in existing cases, and informal submissions to the Commission.

8. Sequoia Wireless, LLC must file in this docket a written acceptance of the certificate granted in this proceeding within 30-days of the effective date of this decision. The written acceptance filed in this docket does not reopen the proceeding.

9. Sequoia Wireless, LLC must provide the name, address, e-mail address, and telephone number of its designated primary regulatory/official contact person to the California Public Utilities Commission's Communications Division within five-days of written acceptance of its certificate. Refer to Attachment B for additional information related to updating contact information.

10. Sequoia Wireless, LLC must provide the name, address, e-mail address, and telephone number of its designated contact person for purposes of resolving consumer complaints to the California Public Utilities Commission's Consumer Affairs Branch within five-days of written acceptance of its certificate. Refer to Attachment B for additional information related to updating contact information.

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11. Sequoia Wireless, LLC must submit a Tier-1 Advice Letter containing a copy of the license holder's executed performance bond in accordance with the process established in Decision (D.) 10-09-017/D.11-09-026 and modified by D.13-05-035 and D.24-11-003 to the California Public Utilities Commission's Communications Division within 30-days of the effective date of this decision. Refer to Attachment B for additional information on annual performance bond requirements.

12.Sequoia Wireless, LLC must submit its compliance with Public Utilities Code Section 708, Employee Identification Cards, to the California Public Utilities Commission's Director of the Communications Division, in writing, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>, within 60-days of the effective date of this decision.

13. Sequoia Wireless, LLC must provide the date that competitive local exchange service is first rendered to the public, to the California Public Utilities Commission's Director of the Communications Division, in writing, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>, no later than five-days after service first begins.

14.Sequoia Wireless, LLC is subject to all the current requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision (including annual affiliate transaction reports, ongoing performance bond requirements, and payment of surcharges and user fees); all Consumer Protection Rules contained in General Order 168; and all applicable California Public Utilities Commission rules, decisions, General Orders, and statutes that pertain to California public utilities on an ongoing basis.

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15. All rulings by the assigned Commissioner and the assigned Administrative Law Judge are affirmed.

16. All pending motions are deemed denied.

17. Application 24-11-003 is closed.

This decision is effective today.

Dated April 24, 2025, at Sacramento, California.

ALICE REYNOLDS President DARCIE L. HOUCK JOHN REYNOLDS KAREN DOUGLAS MATTHEW BAKER Commissioners

ATTACHMENT A

TARIFF DEFICIENCIES

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(END OF ATTACHMENT A)

ATTACHMENT B

ATTACHMENT B

REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS, INTEREXCHANGE CARRIERS AND FIXED INTERCONNECTED VOIP CARRIERS (Carrier)

1. Carrier is subject to all the current applicable California Public Utilities Commission (CPUC or Commission) rules, decisions, General Orders, and statutes that pertain to California public utilities and telephone corporations on an ongoing basis.

2. Carrier is responsible for rendering services to customers under the rates, charges and rules authorized by the Commission within 12-months from the date of the decision. Rendering services may include but are not limited to offering and/or actively providing services to its customers on a wholesale and/or resale basis.

3. Carrier is responsible for keeping all contact information up to date with the Commission. Changes to its primary regulatory and/or complaint contact information must be provided electronically, using the "Contact Information Request Update" form at <u>https://www.cpuc.ca.gov/industries-and-</u> <u>topics/internet-and-phone</u> under Service Provider Requirements and Programs. Carrier is responsible for updating this information within 30-days of the change, or at least annually by June 1 of each calendar year.

4. Carrier is subject to California public purpose program surcharges and user fees. Pursuant to Decision (D.) 22-10-021, all telephone corporations operating in California must assess, collect, report and remit public purpose program surcharges based on the number of active access lines. For definition of access

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line, *see* Section 5.2.2 of D.22-10-021. The surcharge funds the following California public purpose programs:

- a. The Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code §277);
- 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 §275.6); D.96-10-066, at 3-4, App. B, Rule 1.C);
- d. The California High Cost Fund-B (Pub. Util. Code §276.5), D.96-10-066, at 191, App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (Pub. Util. Code §281; D.07-12-054); and
- f. The California Teleconnect Fund (Pub. Util. Code §280; D.96-10-066, at 88, App. B, Rule 8.G).

User Fees must be assessed and collected based on intrastate telecommunications revenues. The User Fee funds the CPUC's annual operating budget for regulating the telecommunications corporations under its jurisdiction (Pub. Util. Code §§431-435).

5. Carrier is responsible for obtaining guidance and directive from the Commission's Communications Division for timely reporting and remitting of public purpose program surcharges and the user fees through the Commission's proprietary Telecommunications and User Fee Filing System (TUFFS).

Additional information about telecommunications surcharges and user fees is

available from the CPUC website: <u>https://www.cpuc.ca.gov/industries-and-</u>

topics/internet-and-phone/telecommunications-surcharges-and-user-fees.

6. Carrier is responsible for timely and accurately reporting its number of access lines and remitting the resulting public purpose program surcharges through TUFFS even if there is zero access line to report and zero resulting surcharges to remit. Carriers that report and/or remit surcharge funds after the due date will be charged a penalty equal to an annual rate of 10-percent. Send an e-mail to <u>Telcosurcharge@cpuc.ca.gov</u> for questions related to surcharges and access to TUFFS. Current and historical surcharge rates can be found at <u>https://www.cpuc.ca.gov/industries-and-topics/internet-and-</u> phone/telecommunications-surcharges-and-user-fees/surcharge-rates.

7. Carrier is responsible for timely and accurately reporting and remitting the user fees based on a standard user fee remittance rate applied to the gross intrastate revenue or an annual minimum user fee of \$100, whichever is greater. The user fee remittance rate is determined annually by the Commission and posted on the Commission's webpage. The reporting and remittance of user fees must be through TUFFS within 15-days after the end of each calendar quarter (March 31, June 30 and September 30, and December 31) or January 15 due date for those paying the annual minimum user fee of \$100. TUFFS will automatically adjust the minimum user fee amount due to \$100 when the annual gross intrastate revenue is zero or less than the annual minimum user fee of \$100. Under Pub. Util. Code Section 405, carriers that are in default of reporting and submitting user fees more than 30-days after the quarterly user fee payment due dates of April 15, July 15, October 15, and January 15, or more than 30-days after the January 15 due date for those utilities paying the annual minimum user fee of \$100, will be subject to automatic penalties including suspension or revocation of their authority to operate in California. Send an e-mail to <u>userfees@cpuc.ca.gov</u> for questions related to user fees. Current and historical user fee rates can be

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found at: <u>https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees/user-fee-rates</u>.

8. In compliance with Resolution T16901, December 2, 2004, Carrier is responsible for checking the joint tariff for public purpose program surcharges and user fees filed by Pacific Bell Telephone Company dba AT&T California and apply the current public purpose program surcharges and user fees amounts in that joint tariff on end user bills until further revised.

9. Carrier is responsible for ensuring that its tariff filings reflect all surcharges and fees to which it is subject to, as identified above.

10. If Carrier is a competitive local exchange carrier, the effectiveness of its future competitive local exchange carrier tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

11. If Carrier is a non-dominant interexchange carrier, the effectiveness of its future non-dominant interexchange carrier tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

12. Carrier providing competitive local exchange service is responsible for submitting a service area map as part of its initial tariff filed via Advice Letter to the Communications Division.

13. Carrier is responsible for submitting a copy of its complete tariff in use to the California Public Utilities Commission's Director of the Communications Division, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>, in compliance with Public Utilities Codes Section 489(a), no later than February 15 of each year. If Carrier is de-tariffed, it is responsible for providing an annual certification that it is granted exemption from tariff filing or is a de-tariffed carrier and identify the authorization granting such status.

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14. Carrier is responsible for obtaining a performance bond of at least \$25,000 in accordance with Decision 13-05-035 and D.24-11-003. Within 30 calendar days

after the effective date of CPCN authority, carrier is required to submit a Tier-1 advice letter to the Director of the Communications Division with a copy of the license holder's executed bond. The performance bond must be a continuous bond (*i.e.*, there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Pursuant to Decision 13-05-035, the Commission must revoke a certificate of public convenience and necessity if a carrier is more than 120-days late in providing 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.

15. Carrier is required to submit a Tier-1 Advice Letter on an annual basis, no later than March 31 of each year, with a copy of the executed performance bond. Carrier is responsible for ensuring that its performance bond does not lapse during any period of its operation. Additional information regarding performance bond requirement is available at:

https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrierreporting-requirements/performance-bond-requirements.

16. Carrier is responsible for ensuring that its employees comply with the provisions of Pub. Util. Code Section 2889.5 regarding solicitation of customers.

17. If Carrier is 90-days or more late in complying with its reporting obligations to the Commission including but not limited to filing its annual reports (e.g., Operations and Financials, and Affiliated Transaction Reports),

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submitting Performance Bonds, reporting and remitting surcharges and user fees; and has not received written permission from the Commission or

18. Communications Division to file or remit late, the Communications Division may issue a citation pursuant to Resolution T-17601. Failure to comply with the issued citation or timely appeal the citation may result in a revocation of the company's operating authority and/or a referral to the Commission's Consumer Protection and Enforcement Division for enforcement action, which could result in additional fines, penalties, or other sanctions.

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

20. Carrier is exempt from Pub. Util. Code Sections 816-830.

21. If Carrier decides to discontinue service or file for bankruptcy, it must immediately notify the California Public Utilities Commission's Director of the Communications Division, by e-mail to <u>cdcompliance@cpuc.ca.gov</u>.

(END OF ATTACHMENT B)

ATTACHMENT C

ATTACHMENT C

ANNUAL REPORT

In addition to the annual reports requirement pursuant to General Order 104-A, submit the following information electronically via e-mail to <u>cdcompliance@cpuc.ca.gov</u> no later than March 31 of the year following the calendar year for which the annual report is submitted.

Failure to submit this information on time may result in a penalty as provided for in Pub. Util. Code Sections 2107 and 2108.

Required information:

- 1. Exact legal name and Utility ID number of the reporting utility.
- 2. Address of the reporting utility.
- 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 of the calendar year for which information is submitted, for California operations only.

Additional information about the reporting requirements is available at: <u>https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements/annual-report-forms</u>. For any questions concerning this report, please send an e-mail to <u>cdcompliance@cpuca.ca.gov</u> with a subject line that includes: "CD Annual Reports."

(END OF ATTACHMENT C)

ATTACHMENT D

ATTACHMENT D

CALENDAR YEAR AFFILIATE TRANSACTION REPORT

Submit the following information electronically using the Annual Affiliate Transaction Report Form²³ via e-mail to <u>cdcompliance@cpuc.ca.gov</u> no later than May 1 of the year following the calendar year for which the annual affiliate transaction 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 item-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.

²³ An Annual Affiliate Report form (in PDF format) has been developed to help facilitate the submission of this reporting obligation and it is available at: <u>https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/licensing-compliance/annual-reporting-requirements/annual-affiliate-transaction-report-form_.pdf</u>.

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 item-1 and item 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.
- 3. 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.
- 4. Any required information, documents, or other material that a utility is unable to provide must be reasonably described and the reasons they cannot be obtained, as well as the efforts expended to obtain them, 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.
- 5. Utilities that do not have affiliated entities must submit, 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.

Additional information about the reporting requirements is available at: <u>https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements/annual-report-forms</u>. For any questions concerning this report, please send an e-mail to <u>cdcompliance@cpuca.ca.gov</u> with a subject line that includes: "CD Annual Reports."

(END OF ATTACHMENT D