

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ViaSat, Inc. for Registration as an
Interexchange Carrier Telephone Corporation
pursuant to the provisions of Public Utilities
Code Section 1013.

Application 12-11-025
(Filed November 27, 2012)

**DECISION GRANTING VIASAT, INC A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE
INTEREXCHANGE SERVICE****Summary**

Pursuant to Public Utilities Code Section 1001, we grant ViaSat, Inc. (ViaSat) a certificate of public convenience and necessity (CPCN) to provide limited facilities-based and resold interexchange service in California subject to the terms and conditions set forth in the Ordering Paragraphs.¹

1. Background

On November 27, 2012, ViaSat, a corporation authorized to do business in California filed an application for a certificate of public convenience and

¹ While this application was filed pursuant to Pub. Util. Code § 1013, an expedited and ministerial registration process, the determination that ViaSat's application is controversial and does not qualify for the registration process and resulting assignment to an Administrative Law Judge (ALJ) removed it from the registration track. It has therefore been evaluated as a certificate of public convenience and necessity under § 1001.

necessity (CPCN) to provide limited facilities-based and resold telecommunications services in the service territories of Pacific Bell Telephone Company doing business as AT&T California (AT&T), Verizon California Inc. (Verizon), Citizens Telecommunications Company of California, Inc. (doing business as Frontier Communications of California {Frontier}), Frontier Communications of the Southwest, Inc. (Frontier Southwest) and SureWest Communications² (SureWest) and interexchange service in California.

ViaSat proposes to provide interexchange services to business and residential customers via two-way satellite-based broadband internet connections. ViaSat also notes that it is considering providing prepaid calling card services and/or private line or special access arrangements.

ViaSat's principal place of business is located at 6155 El Camino Real, Carlsbad, CA 92009-1699.

On March 6, 2013 the assigned ALJ e-mailed a list of questions to ViaSat. The Applicant submitted its response on March 11, 2013 (March 11 Response).

On April 5, 2013 the assigned ALJ issued a ruling seeking information on ViaSat's services and how those services relate to the Commission's jurisdiction. On April 26, ViaSat filed its response with the requested information (April 26 Response).

On August 7, 2014 the assigned ALJ, in consultation with the assigned Commissioner, issued a second ruling seeking additional information.

Specifically, the ruling requested a declaration:

that attests whether ViaSat is a Common Carrier (as defined ...by sec. 153 of the federal Telecommunications Act of 1996)

² SureWest was formerly known as Roseville Telephone Company.

eligible to interconnect under the Telecommunications Act sec. 251-252, and whether, if granted a Certificate of Public Convenience and Necessity, ViaSat would operate as a Telephone Corporation under the California Public Utilities Code sec. 234(a), and obey the Code, and all of the Commission's rules, decisions, and orders.

On October 23, 2014 ViaSat filed a response consisting of a legal analysis by its regulatory counsel and a declaration signed by Keven Lippert, ViaSat's Executive Vice President, General Counsel and Secretary (October 23 Response). The declaration portion of the response is attached hereto as Attachment A.

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."

Public Utilities Code Section 710 states that the Commission "shall not exercise regulatory jurisdiction or control over Voice over Internet Protocol and Internet Protocol enabled services except as required or expressly delegated by federal law or expressly directed to do so by statute or as set forth in subdivision (c)." Public Utilities Code Section 239 defines the relevant terms "Voice over Internet Protocol" and "Internet Protocol enabled service:"

239. (a) (1) "Voice over Internet Protocol" or "VoIP" means voice communications service that does all of the following:

(A) Uses Internet Protocol or a successor protocol to enable real-time, two-way voice communication that originates from, or terminates at, the user's location in Internet Protocol or a successor protocol.

(B) Requires a broadband connection from the user's location.

(C) Permits a user generally to receive a call that originates on the public switched telephone network and to terminate a call to the

public switched telephone network.

(2) A service that uses ordinary customer premises equipment with no enhanced functionality that originates and terminates on the public switched telephone network, undergoes no net protocol conversion, and provides no enhanced functionality to end users due to the provider's use of Internet Protocol technology is not a VoIP service.

(b) "Internet Protocol enabled service" or "IP enabled service" means any service, capability, functionality, or application using existing Internet Protocol, or any successor Internet Protocol, that enables an end user to send or receive a communication in existing Internet Protocol format, or any successor Internet Protocol format through a broadband connection, regardless of whether the communication is voice, data, or video.

ViaSat asserts that because it is "considering providing calling cards . . . and capacity for private lines or special access arrangements," it necessarily qualifies as a telephone corporation, and therefore a public utility.³ In the declaration attached to the October 23 Response, ViaSat notes that it may not accept this CPCN, or may voluntarily cancel this CPCN, if it does not receive funding from the California Advanced Services Fund (CASF). Further, ViaSat declares that, if granted a CPCN:

ViaSat will operate as a telephone corporation, as defined by Public Utilities Code §234, and will obey the Public Utilities Code and all of the Commission's rules, decisions, and orders, but, as a [sic.] stated above, ViaSat may elect not to engage in regulated intrastate operations unless it is awarded and accepts the pending CASF grant for which it has applied.

³ April 26 Response at 1.

As described in the declaration, ViaSat either will be a telephone corporation and public utility subject to our jurisdiction, or will not engage in regulated intrastate operations, and therefore will not retain this CPCN.

3. California Environmental Quality Act (CEQA)

The CEQA requires the Commission act as the designated lead agency to assess the potential environmental impact of a project in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since ViaSat 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 granting this application will have an adverse impact upon the environment. Before it can construct facilities other than equipment to be installed in existing buildings or structures, ViaSat must file for additional authority, and submit to any necessary CEQA review.

4. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide limited-facilities based and resold local exchange and interexchange services must demonstrate that it has a minimum of \$100,000 cash or cash equivalent to meet the firm's start-up expenses.⁴ An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers and/or interexchange carriers in order to provide the proposed

⁴ The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

service.⁵ In the application, provided that \$100,000 plus an amount equal to the deposit required by AT&T, Verizon, Citizens, and SureWest would be available to ViaSat for one year following certification. Since ViaSat has provided documentation that 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 has fulfilled this requirement.

ViaSat proposed to initially interconnect with AT&T, Verizon, Citizens, and SureWest. As stated above, ViaSat has provided documentation that it has the funds available for the deposit required by AT&T, Verizon, Citizens, and SureWest.

Therefore, no additional resources are required at this time to cover deposits.

5. Technical Qualifications

To be granted a CPCN for authority to provide local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁶ ViaSat supplied biographical information on its management in Exhibit 4 to its application that demonstrated that it has sufficient expertise and training to operate as a telecommunications provider.

⁵ The requirement for Competitive Local Carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying Local Exchange Carriers (LEC) and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

⁶ D. 95-12-056 at Appendix C, Rule 4.A.

In its application, ViaSat verified that, except for the information disclosed in Exhibit 7, no one associated with or employed by ViaSat as an affiliate, officer, director, partner, or owner of more than 10% of ViaSat was previously associated with a telecommunications carrier that filed for bankruptcy, was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order, or 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.

For the above reasons, we find that ViaSat is in compliance with the requirements of D.95-12-056.

6. Tariffs

ViaSat asserts that since it does not intend to offer residential basic service, it is entitled to an exception to the tariffing requirements. Pursuant to General Order (GO) 96-B and D.07-09-018, we grant ViaSat's request for detariffing of its services.

7. Expected Customer Base

ViaSat provided its estimated customer base for the first and fifth years of operation in the March 11 Response. Therefore, ViaSat has complied with this requirement.

8. Request for Treatment as a Non-dominant Carrier

Applicant requests treatment as a non-dominant interexchange carrier, which would include exemption from the requirements 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 Applicant's request for non-dominant interexchange carrier status, provided that they follow all rules detailed in the above referenced decisions.⁷

9. Conclusion

We conclude that the application conforms to our rules for certification as a competitive interexchange carrier. Accordingly, we grant ViaSat a CPCN to provide limited facilities-based and resold telecommunications service in the service territory of AT&T, Verizon, Citizens, and SureWest and interexchange service in California subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to ViaSat and corresponding obligations. ViaSat receives authority to operate in the prescribed service territory, it can request interconnection with other telecommunications carriers in accordance with Section 251 of the Federal Communications Act (47 U.S.C. 251), and it receives access to public rights of way in California as set forth in D.98-10-058 subject to the CEQA requirements set forth in this decision. In return, ViaSat 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

⁷ 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.

requirements. Moreover, ViaSat 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 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."

10. Request to File Under Seal

Pursuant to Rule 11.4 of the Commission's Rules of Practice and Procedure, ViaSat has filed motions for leave to file Exhibit 7 to the application, which explains ViaSat's response to question 9 of the Pub. Util. Code Section 1013 registration application, including commercial and financial information related to procurement of satellite spectrum and orbital resources as confidential materials under seal. ViaSat represents that the information is sensitive, and disclosure could place ViaSat at an unfair business disadvantage. We have granted similar requests in the past and do so here.

11. Motion for Party Status of The California Association of Competitive Telecommunications Companies (CALTEL)

On May 1, 2013 The California Association of Competitive Telecommunications Companies (CALTEL) filed a motion for party status in this proceeding. On the same day, ViaSat filed a response, opposing this motion.

Most evidence in this proceeding was submitted before CALTEL's motion was filed, and CALTEL does not present any plan for its participation in this proceeding. CALTEL's motion is denied.

In its motion, CALTEL states its concern that this application proceeding is not an appropriate venue for broad policy and legal decision making. Broad policy and legal decisions are not necessary in this application and CALTEL has not advanced any arguments related to the ultimate issues in this proceeding. In fact, today's decision does not reach any broad policy or legal decisions of the type CALTEL states are inappropriate for this type of proceeding.

12. Categorization and Need for Hearings

In Resolution ALJ 176-3306, dated December 20, 2012 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.

13. Comments on Draft Decision

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.

14. Assignment of Proceeding

Catherine J.K. Sandoval is the assigned Commissioner and Kevin R. Dudley is the assigned ALJ in this proceeding.

Findings of Fact

1. Notice of the application appeared on the Daily Calendar on December 3, 2012. No protests have been filed. A hearing is not required.

2. ViaSat is a telephone corporation and a public utility as defined in Pub. Util. Code Sections 234(a) and 216(a).
3. ViaSat has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
4. ViaSat 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.
5. ViaSat's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
6. Except as disclosed in Exhibit 7, no one associated with or employed by ViaSat as an affiliate, officer, director, partner, or owner of more than 10% of ViaSat was: previously associated with a telecommunications carrier that filed for bankruptcy; was sanctioned by the Federal Communications Commission 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.
7. ViaSat provided an estimate of its customer base for the first and fifth year of operation.
8. Pursuant to Rule 11.4, ViaSat filed motions for leave to file confidential materials under seal, including Exhibit 7 to the application.

Conclusions of Law

1. ViaSat should be granted a CPCN to provide limited facilities-based and resold interexchange telecommunications service in the service territories of

AT&T, Verizon, Citizens, and SureWest, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. ViaSat, once granted a CPCN, should be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

3. ViaSat's motion to file under seal its Exhibit 7 to the application, should be granted for two years.

4. ViaSat should be granted non-dominant carrier status, subject to Commission rules and regulations as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to ViaSat to provide limited facilities-based and resold interexchange telecommunications services in the territories of Pacific Bell Telephone, Verizon California Inc., Citizens Telecommunications Company of California, Inc. and SureWest Communications, subject to the terms and conditions set forth below.

2. The corporate identification number assigned to ViaSat, U-7268-C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

3. ViaSat must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. 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. Within five days of acceptance of its

certificate of public convenience and necessity authority, ViaSat must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

4. ViaSat must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the 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.

5. 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, ViaSat is subject to the Consumer Protection Rules contained in General Order 168, and all applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

6. ViaSat 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.

7. If ViaSat elects not to offer regulated intrastate services, at any time after accepting this certificate granted in this proceeding, ViaSat shall notify the Commission that it is cancelling the Certificate of Public Convenience and Necessity.

8. ViaSat 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. Applicant 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.

9. Prior to initiating service, ViaSat 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. This information must be updated if the name or telephone number changes, or at least annually.

10. Prior to initiating service, ViaSat 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.

11. ViaSat must notify the Director of the Communications Division in writing of the date that interexchange service is first rendered to the public, no later than five days after service first begins.

12. ViaSat 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.

13. ViaSat 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.

14. ViaSat's motion to file under seal its Exhibit 7 is granted. The information will remain under seal for a period of two years after the date of this order. During this two-year period, this information will remain under seal and may not be viewed by any person other than the Commission staff, or on further order or ruling of the assigned Administrative Law Judge, the Law and Motion Administrative Law Judge, the Assistant Chief Administrative Law Judge, or the Chief Administrative Law Judge, except as agreed to in writing by ViaSat or as ordered by a court of competent jurisdiction. If ViaSat believes that it is necessary for this information to remain under seal for longer than two years, ViaSat may file a new motion at least 30 days before the expiration of this limited protective order.

15. Application 12-11-025 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A**DECLARATION**

I, Kevin Lippert, am an employee of ViaSat, Inc. (ViaSat) and am authorized to make this declaration on its behalf. I have read the foregoing Response of ViaSat, Inc. to Second ALJ Ruling Requesting Additional Information and state that the factual matters set forth therein are true and correct to the best of my knowledge. Relying on the opinions of counsel as to the matters of law stated therein, I also state that:

1. ViaSat is not currently a common carrier, as defined by 47 U.S.C. § 153(11), but would be a common carrier under that section to the extent its operations under the requested certificate of public convenience and necessity also include the provision of interstate non-Internet protocol (“IP”) terrestrial voice telecommunications or interstate terrestrial private line/special access service.

2. ViaSat is not currently entitled to interconnection under 47 U.S.C. § 251(a), but would be a entitled to such interconnection for the purposes of its operations under the requested certificate of public convenience and necessity and for the purposes of its common carrier operations.

3. ViaSat may not be entitled to interconnection under 47 U.S.C. § 251(c)(2) and 47 U.S.C. § 252.

4. ViaSat’s proposed regulated intrastate operations are intended to be undertaken in connection with the extension of the broadband services that are contemplated by its pending California Advanced Services Fund (“CASF”) grant application. If the grant is not awarded or accepted, and ViaSat elects not to offer regulated intrastate services, ViaSat will either notify the Commission that it is not accepting the CPCN or, if it has already accepted the CPCN, notify the

Commission that it is voluntarily cancelling the CPCN, in accordance with standard Commission practice.

5. If granted the requested certificate of public convenience and necessity, ViaSat will operate as a telephone corporation, as defined by Public Utilities Code § 234, and will obey the Public Utilities Code and all of the Commission's rules, decisions, and orders, but, as a stated above, ViaSat may elect not to engage in regulated intrastate operations unless it is awarded and accepts the pending CASF grant for which it has applied.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 10/23/2014

/s/ Kevin Lippert

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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,⁸ 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 the joint tariff for surcharges and fees filed by Pacific Bell

⁸ Written acceptance filed in this docket does not reopen the proceeding.

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.
- 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 must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. 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. Within five days of acceptance of Certificate of Public Convenience and Necessity authority, Applicant must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1

advice letter annually, but not later than March 31, with a copy of the executed bond.

4. Applicant must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the 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.

5. 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).

6. 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).

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

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

9. 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.

10. 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.

11. 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.

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

13. 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.

14. 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.

15. 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.

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

17. 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.

18. 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.

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

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

21. 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.

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

23. 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 31st 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)