

Decision 89 07 025

JUL 6 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Access Net, Inc.)
 (U-5157-C) for a Certificate of)
 Public Convenience and Necessity)
 to Provide IntraLATA High Speed)
 Digital Private Line Service at)
 a Speed of 1.544 Megabits per)
 Second or Higher throughout the)
 State of California.)

Marked

JUL 7 1989

Application 89-02-049
 (Filed February 24, 1989)

OPINIONSummary

This decision grants applicant, Access Net, Inc. (ANI), a certificate of public convenience and necessity (CPCN) to provide intraLATA 1.544 megabits per second (Mbps) high speed digital private line service in accordance with the rates and charges and special conditions set forth in its proposed advice letter and associated tariff sheets in Appendix B hereto. These tariff provisions are to become effective five days after filing.

Background

On February 24, 1989, ANI filed Application (A.) 89-02-049, in which it seeks a CPCN to provide intraLATA high speed digital private line service at 1.544 Mbps or higher within all LATAs in California in accordance with the modified settlement adopted by this Commission in Decision (D.) 88-09-059, dated September 28, 1988, which approved with certain modifications a settlement reached by many of the parties in Phase I of Investigation (I.) 87-11-033.¹

1 I.87-11-033 is the Commission's investigation of alternative regulatory frameworks for local exchange telephone companies.

Appendix A of D.88-09-059 prescribes the following conditions for competition for intraLATA high speed digital private line services:

"Competitive providers in high speed digital markets may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.

"For purposes of this document, digital private line services at 1.544 megabits per second (Mbps) or above are considered to be 'high speed digital private line' service. As used herein, 'intraLATA high speed digital private line' service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services. Competitive carriers may provide multiplexing service for voice and/or data at the end user's premises such that the transmission speed from or to the end user's premises is at 1.544 Mbps or above.

"This document does not permit the transport from or to the end user's premises for intraLATA service of either analog or digital transmissions at speeds less than 1.544 Mbps." (D.88-09-059, Appendix A, mimeo. p. 8.)

In D.88-09-059 we also concluded that authorizations granted for provision of competitive intraLATA high speed digital private line services should be coincident with the effectiveness of local exchange carrier pricing flexibility for such services (D.88-09-059, mimeo. p. 8). Since that time, Pacific Bell (Pacific) and GTE California, Incorporated (GTEC) have requested pricing flexibility for these services in A.88-10-012 and A.88-10-017, respectively. Workshops were held in those matters and Pacific and GTEC were directed by D.89-02-023 and D.89-02-024, respectively, dated February 8, 1989 to file revised tariff schedules providing flexibility for the offering of 1.544 Mbps

intraLATA high speed digital private line service with an effective date of February 15, 1989.

On February 8, 1989 the Commission also granted CPCN's to six interexchange carriers thereby authorizing them to provide competitive intraLATA high speed digital private line services on or after February 15, 1989. Since that time several other carriers have been granted similar authority.

Description of Applicant

ANI (U-5157-C) is currently certificated as a reseller of telephone services and also is a non-dominant interLATA interexchange carrier. ANI was granted its CPCN as a reseller of telephone services by D.88-08-017 dated August 10, 1988.

ANI² is a California corporation, and currently conducts its California business from its home office at 35 East Wacker Drive, Suite 2100, Chicago, Illinois 60601, and through its tariff agent's address at 17280 Newhope Street, Fountain Valley, California 92708. Upon completion of its previously planned construction, ANI intends to open a California headquarters office in San Francisco.

The application, as filed, contained only a sketchy pro forma balance sheet and income statement and did not include any substantive financial showing of applicant's ability to carry out this utility operation. Instead, ANI asks that the Commission again review and rely on the confidential information it provided to support A.88-04-040, and which was briefly described in

² ANI is also a subsidiary of Fiber Optic Corporation of the United States (FOCUS) which is headquartered at the same address in Chicago.

D.88-08-017³ issued August 10, 1988 in the referenced application. Also, the proposed rates appended as Exhibit 1 to the application did not appear to be consistent or complementary to ANI's existing tariff schedules on file with this Commission.

The inconsistencies in the rates proposed⁴ and the current status of construction of utility plant authorized by D.88-08-017 were discussed with attorneys for the applicant, via telephone, by the assigned Administrative Law Judge (ALJ) during review of this and a companion application by this applicant's San Francisco affiliate, Access Net of San Francisco, Inc.,
A.89-02-048.

Subsequently, the applicant submitted three letters dated April 19, May 3, and June 2, 1989 to the ALJ. The May 3, 1989 letter containing a draft advice letter and proposed tariff revisions was also sent to competing and adjacent carriers and DRA.

The June 2, 1989 letter contained a current status of applicant's construction schedule for its Los Angeles service area, and various clarifications to its draft advice letter and proposed tariff revisions. (See Appendix A for a copy of the June 2, 1989 letter and Appendix B for the latest draft advice letter and proposed tariff revisions.)

3 D.88-08-017 stated that applicant had arranged and conformed financing for the purchase and installation of fiber optic systems for its utility operations in California through a Chicago bank. ANI also declared that it had available a \$500,000 cash commitment to cover the first year of its operation of this Los Angeles utility service area.

4 The lack of a more definitive (formal) tariff also resulted in a protest to this application filed March 29, 1989 by the Division of Ratepayer Advocates (DRA). This protest was withdrawn on April 25, 1989, after DRA received and reviewed ANI's separate April 19, 1989 letter to DRA and its proposed rates and charges.

In addition, applicant's June 2, 1989 letter confirms that, consistent with the requirements of D.88-09-059, it will not offer as an intraLATA service, the single voice grade channel that it offers on an interLATA basis.

Description of Proposed Services

IntraLATA 1.544 Mbps intraLATA high speed digital private line service⁵ is a dedicated full period data communications service.

ANI proposes to use its already planned and designed fiber optic systems to provide this new intraLATA high speed digital private line service. These facilities will be built starting on or about October 1, 1989 by Western Union under the supervision of ANI's general contractor. This plant was originally planned for ANI's previously authorized interLATA service but will also be capable of handling the intraLATA service for which authority is sought in this application.

ANI is not seeking authority for construction of facilities in this application; therefore, granting this application would not likely have a significant adverse impact on the environment.

Initially ANI proposes to serve only the downtown areas of Los Angeles as set forth in its service area map (See Appendix B 2nd Revised Cal. P.U.C. Sheet No. 8-T.) However, ANI does seek statewide authority for possible expansion of its service area in the future.

ANI asserts that one- and five-year estimates of numbers of customers opting to subscribe to this intraLATA service are not available at this time. However, since ANI's plant was primarily designed and intended for interLATA service, and no significant

⁵ ANI refers to this service as "Twenty-Four (24) Voice Grade Channels (T-1 Service)" in its tariff schedules.

amount of construction is necessary for this intraLATA service, it requests a waiver from Rule 18(j) of the Commission's Rules of Practice and Procedure (Rules) relative to the need for that data in this proceeding.

ANI contends that its proposed service will benefit customers by:

1. Increasing the alternatives available to consumers desiring intraLATA high speed digital private line service.
2. Raising awareness of and demand for such services through effective marketing of this offering.
3. Enabling it to enhance its efficiency by utilizing certain of its interLATA facilities for intraLATA use as well, and
4. By spreading its managerial, financing, and administrative costs over a broader operating base.

Notice of Application and Comments Received

ANI is likely to compete with existing carriers and prospectively with other telecommunications providers when it offers this new service. Therefore, in accordance with Rule 18(b), it served copies of this application on known potential competitors.

On March 29, 1989, DRA protested this application raising concerns that: ANI had not included in its application a draft version of its definitive tariff schedules for the proposed service. DRA on April 25, 1989 withdrew its protest stating that ANI had, on April 19, 1989, provided it with its proposed rates and charges for the intraLATA high speed digital private line service being applied for and DRA found those proposed rates and charges satisfactory.

Discussion

On February 8, 1989 by D.89-02-023 in A.88-10-012 (Pacific) and D.89-02-024 in A.88-10-017 (GTEC) we directed these two largest California local exchange telephone companies to revise their respective tariff schedules effective February 15, 1989 to allow the expansion of competition in the intraLATA high speed, 1.544 Mbps and above, digital private line services.

On February 8, 1989 we also authorized six interexchange carriers to more effectively compete with Pacific, GTEC, and other local exchange telephone companies in the offering of intraLATA high speed, 1.544 Mbps and above, digital private line services, effective on or after February 15, 1989.

ANI is currently authorized to provide interLATA high speed digital private line service in California. The additional authorization sought would allow ANI to compete in the intraLATA market throughout California. ANI will use facilities now planned and soon to be constructed for its interLATA services to provide these services as well. All services furnished by ANI under this proposal will be provided via full period, dedicated, nonswitched facilities, as contrasted to time sharing of a private line service using switched satellite facilities, or traditional switched message toll telephone services.

In D.88-09-059 we concluded that competition to provide intraLATA high speed digital private line services according to the conditions in the adopted modified settlement is in the public interest, and accordingly we allowed potential competitors to request authorization and have recently granted such authority to numerous other non-dominant competing utilities.

We will grant similar authority to ANI with the understanding that the proposed service must be provided in compliance with the requirements of D.88-09-059 (Appendix A, Section IV. A.1.a.) and will limit the authority granted herein accordingly.

In similar decisions authorizing intraLATA high speed digital private line services to non-local exchange telephone companies we have set forth modest reporting requirements⁶ during the early development stages of this competitive intraLATA service. Accordingly, we will require similar reporting by ANI as follows:

1. ANI will be required to submit semiannual reports for a two-year period beginning with the effective date of ANI's rates and charges. The reports will be filed with the Commission Advisory and Compliance Division (CACD) with copies to the DRA - Telecommunications Rate Design Branch and will contain the following recorded data for ANI's intraLATA 1.544 Mbps high speed digital private line service:
 - a. Monthly in-service volumes.
 - b. Monthly inward movement volumes.
 - c. Monthly recurring billings by tariff rate item.
 - d. Monthly nonrecurring billings by tariff rate item.
2. The format of these semiannual reports should be determined in consultation with CACD.

This reporting requirement will sunset with the submission of the report for the semiannual period ending June 30, 1991.

In D.88-09-059, we agreed to take action on all conforming requests for authority to provide competitive intraLATA high speed digital private line services which were filed no later

⁶ These same reporting requirements have been established for the numerous other non-dominant competing carriers which have been authorized to implement this service effective on or after February 15, 1989 (e.g. see D.89-02-028, Cable & Wireless Management Services, Inc., dated February 8, 1989).

than October 31, 1988, with any resulting authorizations to be effective coincident with the effectiveness of local exchange carrier pricing flexibility for these services. All such conforming applications were granted authority to begin rendering service under their respective revised tariffs on or after February 15, 1989. Therefore, we should not unreasonably delay the entry of other qualified applicants such as ANI.

We conclude that the authority which ANI requests should be granted as provided by this order.

Since there is a need to make the tariffs for this service effective as soon as practicable, and DRA's timely protest to this application has been withdrawn, we will make this order effective today.

Findings of Fact

1. ANI is a non-dominant carrier (telephone corporation) qualified to do business in California and a regulated utility as defined under PU Code § 234.

2. ANI is requesting a CPCN to provide 1.544 Mbps high speed digital private line service on an intraLATA basis in California as a complement to its current interLATA service offerings.

3. All timely protests filed relative to this application have been withdrawn; therefore, no hearing is deemed necessary for processing this application.

4. ANI will initially offer these services to customers within the downtown area of Los Angeles and may later extend these services to customers in other California LATAs consistent with demand for such service and its business interests. ANI will be required to file an advice letter with appropriate tariff revisions, prior to any expansion from its initial service areas.

5. ANI did not include in A.89-02-049, projected customer data for the first and fifth full year of operation, as required by Rule 18(j) of the Rules. A.89-02-049 nonetheless is adequate, especially since no new additional facilities are necessary for

rendering the proposed service, and ANI cannot accurately determine the market share of the emerging competitive business it will enjoy.

6. ANI has the technical resources and ability to provide this proposed service on a safe, effective, reliable, and continuous basis.

7. ANI declared that it has arranged financing and will have sufficient funds to carry out its first full year of operation of its utility business including this new service offering.

8. Since ANI intends to use already planned and soon to be constructed fiber optic cable facilities to provide the proposed service it can be seen with reasonable certainty that granting this application will not have a significant adverse impact on the environment.

9. In D.88-09-059, we concluded that competition to provide intraLATA high speed digital private line services as provided in the adopted modified settlement in Phase I of I.87-11-033 is in the public interest and should be authorized.

10. ANI has agreed that it will not multiplex its intraLATA services below 1.544 Mbps.

11. ANI does not offer to switch intraLATA voice or data traffic pursuant to this application.

12. We have granted numerous similar CPCN's for identical or similar services on a competitive basis with tariffs effective on or after February 15, 1989. Therefore, ANI's request should be processed on a timely basis to allow it to enter this competitive market without undue delay.

13. There is no reason to treat ANI differently than other telecommunications utilities regarding the granting of authority to provide intraLATA high speed digital private line services.

14. Public convenience and necessity require the granting of A.89-02-049 to the extent set forth in the ordering paragraphs which follow.

Conclusions of Law

1. ANI's request for authority to provide intraLATA 1.544 Mbps and above high speed digital private line service is consistent with the provisions of D.88-09-059 and should be granted to the extent set forth in the ordering paragraphs hereof.

2. ANI should be prohibited from holding out the availability of other intraLATA services it is not authorized to provide and should be required to advise its customers that intraLATA communications it is not authorized to provide should be placed over the facilities of an authorized carrier.

3. The effective date of ANI's initial offering of intraLATA high speed digital private line service authority should be five days after its filing of tariff schedules identical to those set forth in Appendix B to this order.

4. Applicant is subject to the three/tenths percent (0.3%) surcharge on gross intrastate revenues to fund Telecommunications Devices for the Deaf, as outlined in Resolution T-13005, dated July 22, 1988 pursuant to PU Code § 2881, as modified by Resolution T-13061 dated April 26, 1989.

5. In order to allow ANI to make these services available on or after July 15, 1989 this order should be effective today.

6. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to applicant, Access Net, Inc. (ANI), to provide intraLATA high speed digital private line services at 1.544 Mbps or higher within all LATAs in California subject to the following conditions:

- a. ANI may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.
- b. Digital private line services at 1.544 megabits per second (Mbps) or above are considered to be "high speed digital private line service." "IntraLATA high speed digital private line" service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services.
- c. ANI may provide multiplexing service for voice and/or data at the end user's premises such that the transmission speed from or to the end user's premises is at 1.544 Mbps or above.
- d. This authority does not permit the transport from or to the end user's premises for intraLATA service of either analog or digital transmissions at speeds less than 1.544 Mbps.
- e. ANI shall refrain from holding out to the public the provision of any intraLATA services it is not authorized to provide.

2. ANI shall prepare a "New Customer Notice" to be included with its initial and on-going tariff schedules, advising its customers, among other things, that:

ANI is only authorized to provide intraLATA high speed digital private line services at speeds of 1.544 Mbps, or higher and only offers these services on a full-period, 24-hour,

round-the-clock, dedicated (non-switched) basis.

All other telecommunications services needed by the customer should be placed over the facilities of an authorized carrier.

3. ANI is authorized to file an advice letter with associated tariff sheets identical to those set forth in Appendix B to this order, but amended to also include the "New Customer Notice" set forth in Ordering Paragraph 2 above, for its initial offering of high speed 1.544 Mbps digital private line service.

4. The advice letter and associated tariff sheets described in Ordering Paragraph 3 above shall be filed in compliance with the provisions of General Order (GO) 96-A after the effective date of this order. These tariff schedules shall apply only to service rendered after their effective date which shall be at least five days after filing.

5. The requirements of GO 96-A relative to the effectiveness of tariffs after filing are waived in order that future tariff revisions for this competitive service may become effective on five days' notice after filing.

6. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificate granted in this proceeding; absent such filing, the authority granted by this certificate may be revoked.

7. Applicant shall notify the Commission Advisory and Compliance Division (CACD) director in writing of the date service is first rendered to the public within 5 days after service begins.

8. Applicant shall monitor the implementation of its intraLATA 1.544 Mbps high speed digital private line service and shall submit semiannual reports for a two-year period beginning with the effective date of the rates and charges for this service. These reports shall be filed with the CACD with copies to the DRA-Telecommunications Rate Design Branch and shall include the

following recorded data for applicant's intraLATA 1.544 Mbps high speed digital service:

- a. Monthly in-service volumes.
- b. Monthly inward movement volumes.
- c. Monthly recurring billings by tariff rate item.
- d. Monthly nonrecurring billings by tariff rate item.

The format of these semiannual reports shall be determined in consultation with the CACD staff.

9. The reporting requirement of Ordering Paragraph 8 shall commence within 45 days after December 31, 1989 and shall terminate upon submission of the report for the semiannual period ending June 30, 1991, to be submitted on or before August 14, 1991.

10. Within 60 days after the effective date of this order, ANI shall prepare and issue to every employee who, in the course of his or her employment, has occasion to enter the premises of customers or subscribers of the corporation an identification card in a distinctive format having a photograph of the employee. ANI shall require every employee to present the card upon requesting entry into any building or structure on the premises of a customer or subscriber, as set forth in PU Code § 708.

11. The certificate granted and the authority to render service under the rates, charges, and rules authorized herein will expire if not exercised within 12 months after the effective date of this order.

12. High speed digital private line service is subject to a monthly surcharge to fund Telecommunications Devices for the Deaf as outlined in Resolution T-13005 dated July 22, 1988 pursuant to PU Code § 2881. This rate is 0.3% effective July 1, 1989 as outlined in Resolution T-13061 dated April 26, 1989.

13. Applicant is also subject to the user fee as a percentage of gross intrastate revenue under PU Code §§ 431 through 435.

14. The corporate identification number assigned to Access Net, Inc. is U-5157-C, which should be included in the caption of all original filings with this Commission and in the title of other pleadings filed in existing cases.

15. This proceeding is closed.

This order is effective today.

Dated JUL 6 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.



Victor Weiss, Executive Director



ARMOUR, ST. JOHN, WILCOX
GOODIN & SCHLOTZ

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John L. Clark

June 2, 1989

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Administrative Law Judge George Amaroli
California Public Utilities Commission
State Building, Rm. 5010
505 Van Ness Avenue
San Francisco, California 94102

Applications of Access Net, Inc. and
Access Net of San Francisco, Inc.

Dear Judge Amaroli:

As you requested, I am providing you with an update on the current status of the construction of facilities by these applicants under their existing certificates, as well as confirmation of their intentions regarding the rates for intraLATA service.

The companies are in in the final process of negotiating the actual debt and equity financing that will be used to fund construction of the fiber systems in their respective service areas. Construction of outside plant in San Francisco will be undertaken by Western Union under the supervision of the companies' general contractor in about eight weeks. Outside plant construction in Los Angeles will begin about two months after that. In the meantime, the companies will be opening their California headquarters in San Francisco. At that time, all business contacts with the companies will be made through that office rather than through the agent whose address is currently shown on the tariffs. When the move is completed, appropriate changes will be made to the tariffs.

I have confirmed that since the time the applications were filed, the companies have determined that the proposed services should be offered at the same rates that are currently in effect for the companies' interLATA services. Accordingly, the rate statement set forth in the application should now be disregarded. As I explained on the phone, the companies will initially limit service to certain districts within the cities of San Francisco and Los Angeles as shown on their tariffs now on file. This is why the rates are fixed at non-distance-sensitive levels. The maps defining these districts were unintentionally omitted from the proposed tariff revisions sent

Administrative Law Judge George Amaroli
June 2, 1989
Page 2.

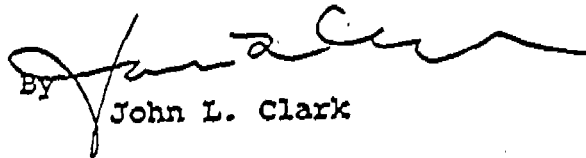
to you earlier. The map sheets included with the enclosed revised draft advice filings display the maps, which are the same as those currently on file.

Finally, the revised draft advice filings include tariff sheets clarifying that the single channel rates are not available on an intraLATA basis.

I hope that this update and clarification is helpful to you. If you have any questions or need any additional information, please let me know.

Very truly yours,

ARMOUR, ST. JOHN, WILCOX,
GOODIN & SCHLOTZ

By 
John L. Clark

Enclosures
cc: Trish Breckenridge

jlc/
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_____, 1989

D R A F T

California Public Utilities Commission
U-5157-C
Advice Letter No. 3 of Access Net, Inc.
Tariff Schedule Applicable to
Dedicated Telephone Service
Within California

California Public Utilities Commission:

Access Net, Inc. ("Access Net"), in compliance with
CPUC Decision No. 89-_____, hereby transmits for
filing an original and five copies of the following revised
tariff sheets in its Tariff Schedule Applicable to Dedicated
Telephone Service within California:

New Cal. P.U.C.
Sheet No.

Cancelling Cal.
P.U.C. Sheet No.

1st Revised Sheet No. 1-T
2nd Revised Sheet No. 2-T
1st Revised Sheet No. 3-T
1st Revised Sheet No. 6-T
2nd Revised Sheet No. 8-T
1st Revised Sheet No. 9-T
1st Revised Sheet No. 10-T

Original Sheet No. 1-T
1st Revised Sheet No. 2-T
Original Sheet No. 3-T
Original Sheet No. 6-T
1st Revised Sheet No. 8-T
Original Sheet No. 9-T
Original Sheet No. 10-T

The purpose of this filing is to allow Access Net to
offer nonswitched Intrastate IntraLATA high speed digital private
line service between customer premises pursuant to Decision
No. 89-_____.

Copies of this Advice Letter and revised tariff pages
are being forwarded to all competing and adjacent utilities.

Access Net, Inc.

By _____
John L. Clark
Armour, St. John, Wilcox,
Goodin & Schlotz
Attorneys for Access Net, Inc.

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L1254.OPM

Access Net, Inc.
17280 Newhope Street
Fountain Valley, CA 92708

TARIFF SCHEDULE
APPLICABLE TO
DEDICATED TELEPHONE
SERVICE
WITHIN CALIFORNIA
by

Access Net, Inc.

Advice Letter No. 3

Decision No. _____

Issued by
Tricia Breckenridge
Name
President
Title

Date Filed _____

Effective _____

Resolution No. _____

Access Net, Inc.
17280 Newhope Street
Fountain Valley, CA 92708

Cancelling 1st Revised Cal. P.U.C. Sheet No. 2-T

TARIFF CHECKING SHEET

Current sheets in this tariff are as follows:

Sheet	Revision	
1-T	1st Revised	
2-T	2nd Revised	(C)
3-T	1st Revised	(C)
4-T	Original	(C)
5-T	1st Revised	
6-T	1st Revised	
7-T	Original	(C)
8-T	2nd Revised	
9-T	1st Revised	(C)
10-T	1st Revised	(C)
11-T	Original	
12-T	1st Revised	
13-T	Original	
14-T	Original	
15-T	Original	
16-T	Original	
17-T	Original	
18-T	Original	
19-T	Original	
20-T	Original	
21-T	Original	
22-T	Original	
23-T	Original	

Advice Letter No. 3

Decision No. _____

Issued by
Tricia Breckenridge
Name
President
Title

Date Filed _____

Effective _____

Resolution No. _____

Access Net, Inc.
17280 Newhope Street
Fountain Valley, CA 92708

Cancelling Original Cal. P.U.C. Sheet No. 3-T

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	(D)
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Advice Letter No. XX

Decision No. _____

Issued by
Tricia Breckenridge
Name
President
Title

Date Filed _____

Effective _____

Resolution No. _____

Access Net, Inc.
17280 Newhope Street
Fountain Valley, CA 92708

Cancelling Original Cal. P.U.C. Sheet No. 6-T

PRELIMINARY STATEMENT

This tariff sets forth intrastate rates and rules applicable to the dedicated intrastate telephone services offered by Carrier within the state of California. Said services are provided, as more fully described herein by Carrier to interexchange carriers and to other business customers located within the downtown Los Angeles area. Service is only provided to those buildings listed in the Service Locations under Rule 20. Carrier has been granted authority by the California Public Utility Commission to provide interlata intrastate, dedicated long distance telephone service and non-switched intralata high speed (1.544 mbps or higher) digital private line services between customer premises within the state of California. The Carrier does not otherwise hold itself out as offering intralata service. Other intralata communications should be placed over the facilities of the local exchange company. (C)

Carrier also provides dedicated interstate long distance telephone service within the United States.

The rates and rules contained herein are subject to change pursuant to the rules and regulations of the California Public Utilities Commission. (C)

Advice Letter No. 3

Decision No. _____

Issued by
Tricia Breckenridge
Name
President
Title

Date Filed _____

Effective _____

Resolution No. _____

Access Net, Inc.
17280 Newhope Street
Fountain Valley, CA 92708

2nd Revised Cal. P.U.C. Sheet No. 8-T
Cancelling 1st Revised Cal. P.U.C. Sheet No. 8-T

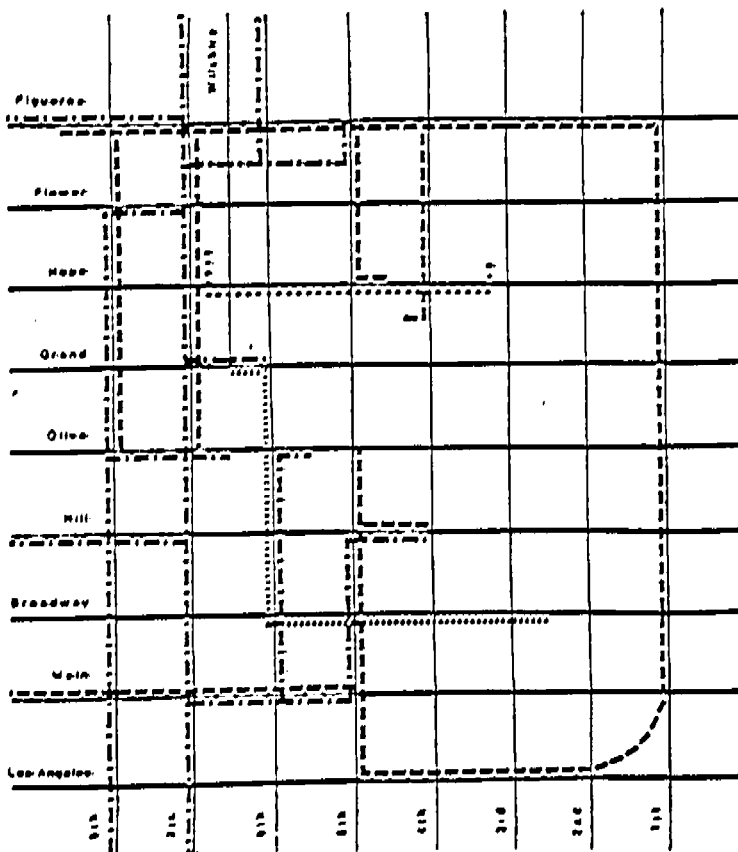
Service Area Map

Carrier provides specified dedicated interlata intrastate long distance telephone service for calls to and originating from the San Francisco area and non-switched intralata high speed (1.544 mbps or higher) digital private line services between customer premises in the Los Angeles area. (C)

Carrier has been granted authority by the California Public Utilities Commission to provide these services within the state of California. The carrier does not hold itself out as otherwise offering intralata service. Other intralata communications should be placed over the facilities of the local exchange company. (C)

Carrier also provides dedicated interstate long distance telephone service within the United States.

Access Net, Inc.
DOWNTOWN
LOS ANGELES



Advice Letter No. 3

Decision No. _____

Issued by
Tricia Breckenridge
Name
President
Title

Date Filed _____

Effective _____

Resolution No. _____

Access Net, Inc.
17280 Newhope Street
Fountain Valley, CA 92708

1st Revised Cal. P.U.C. Sheet No. 9-T
Cancelling 1st Revised Cal. P.U.C. Sheet No. 9-T

RATE SCHEDULE

1.0 RATES FOR INTRASTATE DEDICATED TELEPHONE SERVICE (C)

1.1 SERVICE OFFERING	PER/MONTH	Initial Installment Fee (non-recurring)	
One (1) Voice Grade Channel*	\$ 117.47	\$ 402.48	(C)
Twenty-Four (24) Voice Grade Channels (T-1 Service)	\$ 629.76	\$ 688.48	
Six Hundred Seventy-Two (672) Voice Grade Channels (DS-3 Service)	\$6,000.00	\$6,600.00	

2.0 Explanation of Rates

- 2.1 Service offerings are provided on a twenty-four (24) hour basis.
- 2.2 All rates are distance, usage, and time of day insensitive.
- 2.3 Dedicated facilities are constructed between two points specifically for the use of a customer.

3.0 Taxes

- 3.1 Customer will be billed for and be liable for payment of all applicable federal, state, and local taxes and surcharges, including without limitation to the California Public Utility Commission imposed surcharges for the CPUC Reimbursement Fee and Universal Lifeline Telephone Service Surcharge. (C)
- 3.2 All such taxes and surcharges shall be fully itemized on Access Net, Inc.'s bills to the customer. (C)

* Not available on an intraLATA basis.

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Advice Letter No. 3

Decision No. _____

Issued by
Tricia Breckenridge
Name
President
Title

Date Filed _____

Effective _____

Resolution No. _____

Access Net, Inc.
17280 Newhope Street
Fountain Valley, CA 92708

Cancelling Original Cal. P.U.C. Sheet No. 10-T

Rules

Rule 1. Definitions.

Carrier: Access Net, Inc.

Customer: The term "Customer" is defined as the legal entity which has contracted for Access Net, Inc.'s services, except where the context requires that the meaning be extended to customer's officers, employees, agents and contractors

Rule 2. Description of Service

Carrier provides twenty-four (24) hour dedicated (T)
interlata intrastate digital long distance telephone (T)
service as a telephone utility. Carrier also provides (C)
twenty-four (24) hour non-switched intralata high
speed (1.544 mbps or higher) digital private line
service between customer premises. (C)

Rule 3. Application for Service.

Interexchange carrier or corporation wishing to obtain service must complete carriers standard service order form.

Rule 4. Contract-Contractual Requirements.

(none in effect)

Rule 5. Special information required on forms.

No special notations are required to appear on contracts, bills and deposit receipts.

Rule 6. Credit

The Customer is responsible for payment of all charges for service furnished to the Customer. Charges for installation, physical or administrative changes are payable upon completion.

Advice Letter No. 3

Decision No. _____

Issued by
Tricia Breckenridge
Name

President
Title
(END OF APPENDIX B)

Date Filed _____

Effective _____

Resolution No. _____