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Decision 92-10-036 October 21, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

AMERICAN TEL GROUP, INC.)
 Application for a Certificate of)
 Public Convenience and Necessity)
 to Operate as a Reseller of)
 Telecommunications Services)
 within the State of California.)

Application 92-08-001
(Filed August 3, 1992)

O P I N I O N

Request

American Tel Group, Inc. (applicant), a New Mexico corporation qualified to do business in California, requests a certificate of public convenience and necessity (CPCN) under Public Utilities Code §1001 to permit it to provide inter-Local Access and Transportation Area (LATA) long distance services in California.¹

Applicant also seeks an exemption from Rule 18(b) of the Commission's Rules of Practice and Procedure to the extent that the rule requires applicant to serve a copy of its application on cities and counties in the proposed service area, and to serve a complete copy of its application on those entities that applicant proposes to compete with.

Background

In Decision (D.) 90-08-032, as modified by D.91-10-041, the Commission established two major criteria for determining whether a CPCN should be granted. An applicant who does not directly own telephone switching equipment on lines (switchless reseller) must demonstrate that it has a minimum of \$75,000 in

¹ California is divided into ten LATAs of various sizes, each containing numerous local telephone exchanges. "InterLATA" describes services, revenue, and functions that relate to telecommunications originating in one LATA and terminating in another.

uncommitted cash or equivalent financial resources². For applications filed after 1991, this minimum requirement increases 5% per year. The cash requirement for 1992 is \$78,750.

In addition, an applicant is required to make a reasonable showing of technical expertise in the telecommunications or related business.

Financial Resources

The financial statements attached to the application shows that applicant had only \$3,180 of cash at December 31, 1991. Even if the \$3,180 of cash is currently uncommitted, applicant is short of satisfying the financial requirement by \$75,570. Absent applicant's ability to meet the financial requirement there is no reason to address applicant's request to deviate from Rule 18(b) or to proceed any further. This application should be denied.

Findings of Fact

1. Applicant seeks authority to operate as a reseller of interLATA telecommunications services within California.
2. Applicant had \$3,180 of uncommitted cash at December 31, 1991.
3. An applicant who does not directly own telephone switching equipment or lines (switchless reseller) must demonstrate that it has a minimum of \$78,750 in uncommitted cash or equivalent financial resources for applications filed in 1992.
4. Applicant does not meet the financial resources criteria established by D.90-08-032 as modified by D.91-10-041.
5. There is no reason to keep this application open.

² D.92-06-069 notes that switchless resellers may both have plant that is used in providing telecommunications service and facilitate the use of other's equipment in providing such service.

Conclusion of Law

This application should be denied without prejudice and should be made effective upon the date signed.

O R D E R

IT IS ORDERED that American Tel Group, Inc.'s (applicant) request to operate as a reseller of interexchange telecommunications service within California is denied. This denial is without prejudice to applicant filing a subsequent new application for a certificate of public convenience and necessity (CPCN) at such time applicant can demonstrate that it meets the minimum requirements established for a CPCN.

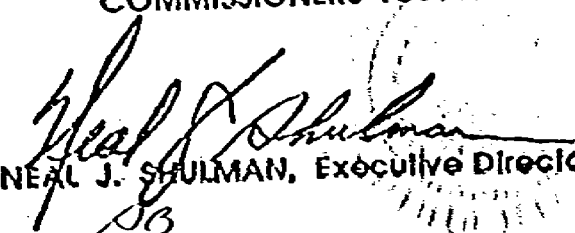
This order is effective today.

Dated October 21, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President

JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director