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Decision 95-12-029 December 18, 1995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
American Teletronics Long Distance,)	
Inc. for Authority to Provide)	Application 95-05-036
IntraLATA Toll Telecommunications)	(Filed May 17, 1995)
<u>Services Within the State of California.</u>)	

OPINION

ORIGINAL

American Teletronics Long Distance, Inc. (Applicant), an Illinois corporation, holds a certificate of public convenience and necessity (CPCN) under Public Utilities (PU) Code § 1001 to resell interLATA telecommunication services in California.¹ It filed an application on May 17, 1995, seeking authority to provide intraLATA services as a switched reseller as well. No protest has been received.

On June 20, 1995, the assigned administrative law judge (ALJ) requested that the application be supplemented to provide additional information, including an explanation of how Applicant would be able to meet the Commission's requirements of reasonable liquidity, in light of its financial statements that showed cash and cash equivalent of less than \$100,000 and current liabilities substantially in excess of current assets.

On July 17, 1995, the Applicant provided the requested information exclusive of the liquidity question, but stated that it was in the process of selling off a portion "of its customer base which will substantially reduce its liability and increase [it's] cash flow." Applicant stated that it would file supplemental financial statements to reflect that transaction

¹ California is divided into ten Local Access and Transport Areas (LATAs) of various sizes, each containing numerous local telephone exchanges. "InterLATA" describes services, revenues, and functions that relate to telecommunications originating in one LATA and terminating in another. "IntraLATA" describes services, revenues, and functions that relate to telecommunications originating and terminating within a single LATA.

when it was finalized. On July 19, 1995, the ALJ asked the Applicant to inform the Commission if such statements would not be available until after September 30, 1995.

On October 3, 1995, the assigned ALJ again wrote to the Applicant, stating that the above information had not been received. The ALJ requested that the information be provided by October 30, 1995. No response was received.

By Decision (D.) 84-01-037 (14 CPUC2d 317 (1984)) and later decisions we authorized interLATA entry generally. By D.94-09-065, we authorized competitive intraLATA services effective January 1, 1995, for carriers meeting specified criteria.

We will not authorize the intraLATA services that Applicant seeks to provide because Applicant has failed demonstrate that it has a minimum of \$100,000 of cash or cash equivalent (as described in D.91-10-041, Appendix A, Paragraph 5.1), reasonably liquid and readily available to meet the firm's start-up expenses.

Findings of Fact

1. A notice of Applicant's filing of the application appeared in the Daily Calendar on May 18, 1995.
2. No protests have been filed.
3. A hearing is not required.
4. By prior Commission decisions we authorized competition in providing interLATA telecommunications service.
5. By D.94-09-065, we authorized competitive intraLATA services effective January 1, 1995, for carriers meeting specified criteria.
6. Applicant has failed to demonstrate that it meets such criteria.

Conclusions of Law

1. Applicant has failed to show that the public convenience and necessity require intraLATA services offered by Applicant.
2. The application should be denied.

ORDER

IT IS ORDERED that the application of American Teletronics, Inc. for a certificate of public convenience and necessity is denied, without prejudice to its right to make future application.

This order is effective today.

Dated December 18, 1995, at San Francisco, California.

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners