

Decision 96-04-009 April 10, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application and Request for Immediate Ex Parte Authority by SILICON VALLEY FIBER, L.L.C., a Delaware limited liability company, for a Certificate of Public Convenience and Necessity to construct facilities and to provide inter and intralATA digital private line communications service.

Application 95-081031
(Filed August 28, 1995)
Supplemented December 12, 1995

ORIGINAL

OPINION
Silicon Valley Fiber L.L.C. (applicant), a Delaware limited liability company, qualified to do business in California, seeks a certificate of public convenience and necessity (CPCN) under Public Utilities (PU) Code § 1001 for authority to construct fiber optic cable communications facilities and to operate as a nondominant interexchange carrier providing inter Local Access and Transport Area (LATA) and intralATA digital private line communications services, pursuant to Decision (D) 94-09-065 and D, 88-09-059.¹ Applicant will initially offer high speed digital services at two speeds: 54.7544 megabytes per second (Mbps) (D-1 service) and 44.736 Mbps (D-3 service). Applicant's major users will be interexchange carriers (IECs) for a variety of point to point uses, including connection of their points of presence (POPs) to local exchange central offices, connections between POPs and connecting POPs and the IECs' major end-users.

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.

By D. 88-09-059, we authorized competitive entry in the provision of interLATA and intralATA high speed digital private line services. However, we limited the authority conferred to provision of high speed digital private line services at 1.544 Mbps and higher. By D. 94-09-065, we authorized competitive interLATA and intralATA digital private line services at any speed, effective January 1, 1995, for carriers meeting specified criteria.

The Commission has established two major criteria for determining whether a CPCN should be granted. The applicant must 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 (41 CPUC2d 505 at 519), reasonably liquid and readily available to meet the firm's start-up expenses. Such applicants shall also document any deposits required by local exchange companies or interexchange carriers (IECs) and demonstrate that they have additional resources to cover all such deposits. Any applicant who can demonstrate that \$100,000 of cash is not needed for its first year of operation may be granted a CPCN with a lesser amount, based on the sufficiency requirements set forth in Ordering Paragraph 11a of D. 91-10-041. In addition, an applicant is required to make a reasonable showing of technical expertise in telecommunications or a related business (D. 90-08-032, 37 CPUC2d (130) at 147-48, 156, 158). As part of its application, applicant provided an unaudited proforma balance sheet as of July 31, 1995, which was filed under seal pursuant to the Ruling of the Law and Motion of Administrative Law Judge. It demonstrates that applicant has well in excess of \$100,000 in unencumbered cash. This documentation demonstrates that applicant meets the criteria for financial solvency. This indicates that applicant has more than \$100,000 in cash which satisfies our criteria for being reasonably liquid and readily available to meet the applicant's needs. Applicant is a joint venture between Brooks Pipe Communications of San Jose, Inc. (BFCSJ) and MCImetro Access

Transmission Services, Inc., both of which are certificated by this Commission. BFCSSJ is the majority owner and will provide the general management support for applicant. Applicant has provided information on its key managers, indicating their education and experience. It can be summarized as follows:

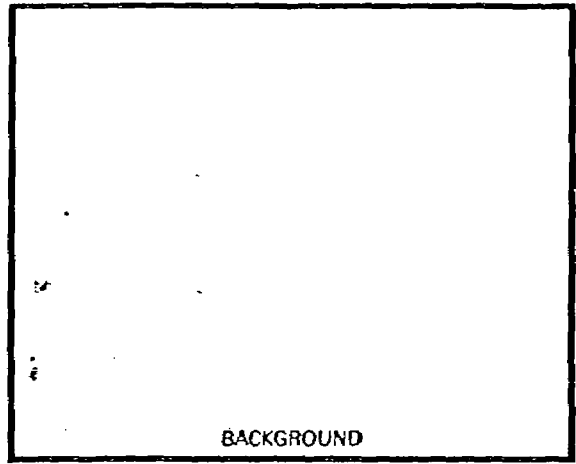
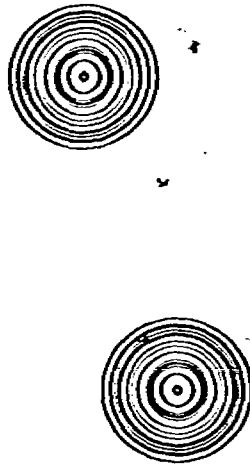
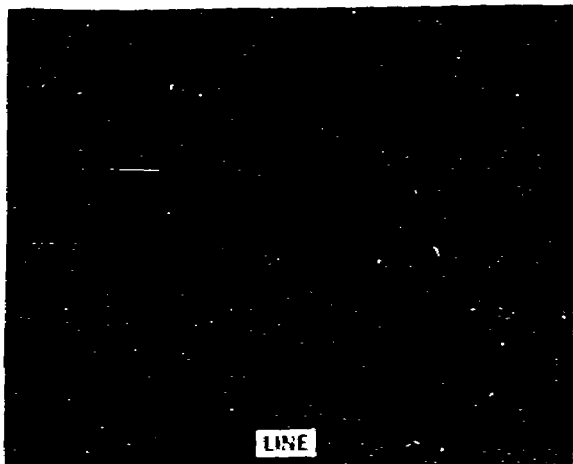
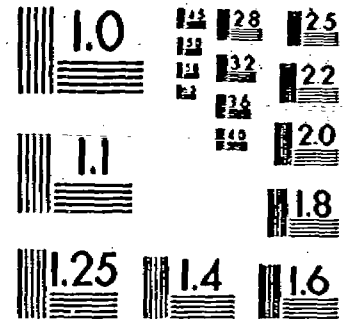
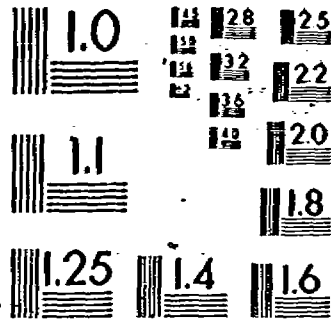
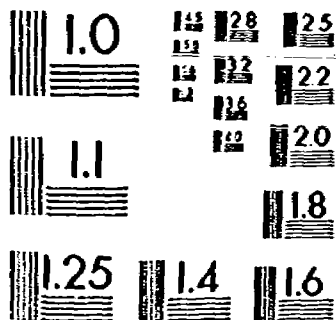
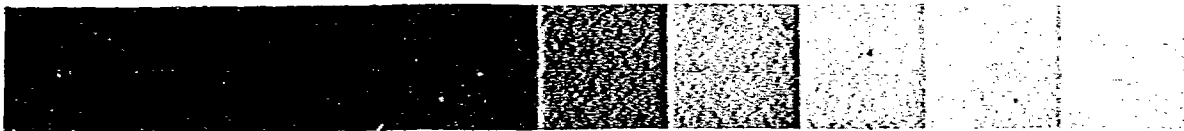
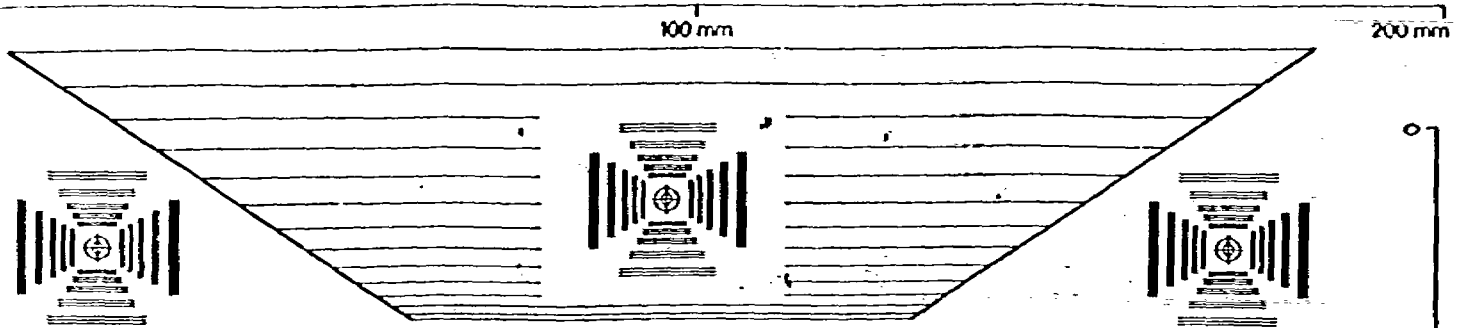
James C. Allen, applicant's chief executive officer, has 25 years of experience as an entrepreneur, business planner and developer, cable system operator, financier, expert witness and advisor in cable television and broadband communications. He is a founder and former president of Cencom Cable Associates and former vice president of operations of Telecom Engineering Inc. Prior to that time, he held management positions with United Cable Television, Continental Telephone Corporation and National Communications Service. He holds a B.S. degree from David Lipscomb University.

D. Craig Young, applicant's chief operating officer, has 16 years of experience as an entrepreneur and senior manager in the telecommunications industry. He was previously vice president of sales operations of Ameritech Custom Business Services. Prior to that time, he was employed in management positions with U.S. West Communications, U.S. West Information Systems, and Executive Information Systems. He holds a B.S. degree in marketing from California State University.

Donald W. Sessamen, applicant's general manager, has over 30 years of experience in telecommunications. He is also president of the western region for Brooks Fiber Properties, Inc. (BFPI), an affiliate of applicant. He began his career with New Jersey Bell Telephone Company and then moved to Plessey Communications Systems, Inc. He then joined Southern Pacific Communications Company, the forerunner of US Sprint, in 1975, and rose through the company to senior vice president of operations and engineering. He then served as executive vice president of operations and engineering at Teleconnect, Telecom USA and S.P. Telecom, before joining BFPI.

CONTROL TEST TARGET

Kodak Quality Monitoring Program



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EASTMAN KODAK COMPANY
Rochester, NY 14650



BUSINESS IMAGING SYSTEMS