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Decision 97-09-032 September 3, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Liquid Crystal Display Telemanagement, Inc., dba "Premysis" for a Certificate of Public Convenience and Necessity to Provide IntraLATA and InterLATA Telecommunications Services within the State of California.	Application 97-06-042 (Filed June 20, 1997; supplemented August 5, 1997)

ORIGINAL

OPINION

Liquid Crystal Display Telemanagement, Inc., dba Premysis (applicant), a California corporation, seeks a certificate of public convenience and necessity (CPCN) under Public Utilities (PU) Code § 1001 to permit it to resell interLATA telephone services in California and intraLATA telephone service.[1]

By Decision (D.) 84-01-037 (14 CPUC2d 317 (1984)) and later decisions, we authorized interLATA entry generally. However, we limited the authority conferred to interLATA service; and we subjected the applicants to the condition that they not hold themselves out to the public to provide intraLATA service. Subsequently, by D.94-09-065, we authorized competitive intraLATA services effective January 1, 1995, for carriers meeting specified criteria.

The Commission has established two major criteria for determining whether a CPCN should be granted for reseller of interLATA and intraLATA services. An

[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.

applicant who is a switchless reseller[2] must demonstrate that it has a minimum of $25,000 of cash or cash equivalent (as described in D.91-10-041, 41 CPUC2d 505 at 520 (1991)), reasonably liquid and readily available to meet the firm's start-up expenses. Applicants for resale of interLATA and intraLATA authority shall also document any deposits required by LECs or IECs and demonstrate that they have additional resources to cover all such deposits. (D.93-05-010, 49 CPUC2d 197 at 208 (1993).) In addition, an applicant is required to make a reasonable showing of technical expertise in telecommunications or a related business.

As part of its application, applicant provided an unaudited balance sheet and profit and loss statement which disclosed cash in excess of $25,000. Therefore, we believe that applicant has more than $25,000 consisting of cash. It satisfies our criteria for being reasonably liquid and readily available to meet the applicant's needs.

Applicant has provided information on its key managers indicating their education and experience. It can be summarized as follows:

Larry Rogers, applicant's president, has 12 years of telecommunications experience. He began his career as a telephone technician for GSA, Inc. (GSA), an interconnect company. After three years at GSA, he served as the operations manager of Cambridge Communications, an interconnect company, for 5 years. He then was the operations manager for Pacific Voice, a NDIEC, for three years prior to joining applicant. He is a graduate of California State University, holds technical degrees in electronics from Heald Institute and has completed technical training from Intertel, Northern Telecom, and Telrad Telecommunications (Telrad).

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[2] D.93-05-010 defines a switchless reseller as a nondominant interexchange carrier (NDIEC) with the following characteristics: it uses the switch of another carrier; it usually, but not always, uses access circuits that the underlying carrier purchases from a local exchange carrier (LEC), it provides service in its own name, and its customers view it as their telephone company for interLATA and interstate calls. D.92-06-069 noted that it is possible to control, operate, or manage telephone lines without owning them. The decision also notes that resellers which do not own or directly operate their own telephone wires may still have plant which is owned, controlled, operated, and/or managed in order to facilitate communication by telephone.

Michael Ecomonou, applicant's vice president, was a sales consultant for CompTel, an interconnect company, and then was vice president of sales and marketing for Cambridge Communications for 6 years. He then founded US Voice Telemanagement, a NDIEC. He is a graduate of California State University, where he majored in telecommunications and business.

Ronald Lansafame, applicant's installation manager, was a telephone technician for American DynaTel for ten years. He then was operations manager at CompTel for five years. Thereafter, he formed his own cabling subcontracting company, Technostics, which he operated for five years. He holds technical certificates from NEC, Northern Telecom, and Telrad.

Since applicant will provide its services by reselling calls routed over facilities owned by other certificated carriers, we can see with certainty that there will be no significant impact on the environment.

We will authorize the interLATA and intraLATA services that applicant seeks to provide.

Findings of Fact

1. Applicant served a copy of the application upon 456 telephone corporations with which it is likely to compete.

2. A notice of the filing of the application appeared in the Daily Calendar on June 30, 1997. A supplement to the application was filed August 5, 1997.

3. No protests have been filed.

4. A hearing is not required.

5. By prior Commission decisions, we authorized competition in providing interLATA telecommunications service but generally barred offering such service from holding out to the public the provision of intraLATA service.

6. By D.94-09-065, we authorized competitive intraLATA services effective January 1, 1995, for carriers meeting specified criteria.

7. Applicant has demonstrated that it has a minimum of $25,000 of cash, reasonably liquid and readily available to meet its start-up expenses.

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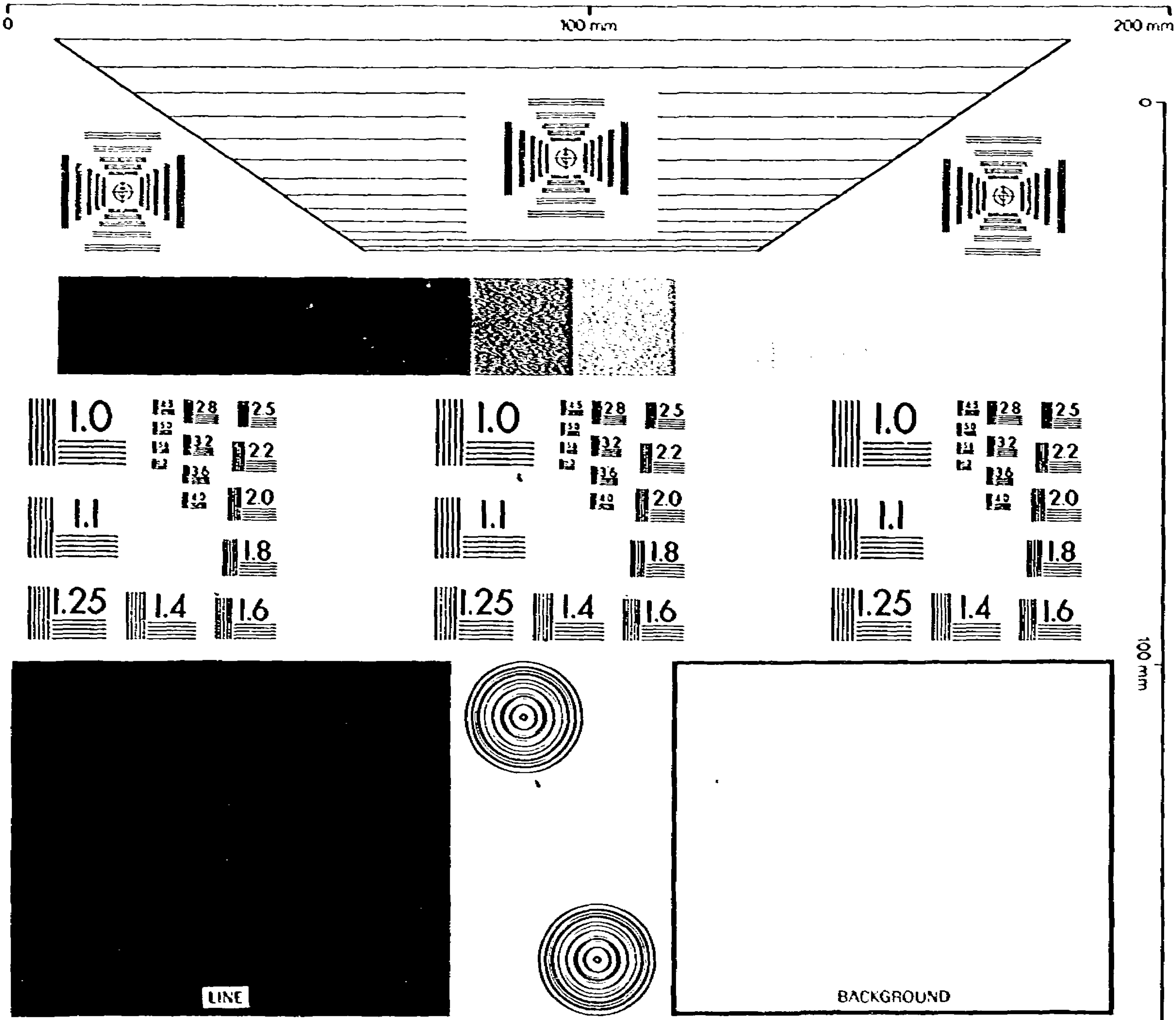

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