



Public Utility Commission of Texas

INSTRUCTIONS FOR THE APPLICATION OR AMENDMENT OF AN SERVICE PROVIDER CERTIFICATE OF OPERATING AUTHORITY OR A CERTIFICATE OF OPERATING AUTHORITY

A **sworn** application should be submitted to: Central Records Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7180

An Application consists of a title page, an affidavit, and the required, properly completed questions. The Applicant shall also file the Application electronically as directed by the Commission's Procedural Rules, which can be found on the Commission's web site. **Seven copies (six copies and one original) of the Application** should be submitted and should meet the following requirements:

- Copies should be three-hole punched and bound in a loose-leaf binder with a tab before each question/response.
- The docket number (if known) and the Applicant's name should appear on the spine of the notebook and on each page of the Application.

NOTE: The Applicant has the burden of establishing that it is qualified to be granted a certificate to provide local exchange service by the Public Utility Commission of Texas (Commission). The Public Utility Regulatory Act (PURA), V.T.C.A., UTILITIES CODE §§ 54.101-54.159 (Vernon 1998 and Supp. 2000) (PURA) and Substantive Rules §§ 26.109 and 26.111 require the Applicant:

- to prove that it is **financially and technically qualified** to provide the service requested,
- to prove that it is able to meet the Commission's **quality of service requirements**, and
- to prove that an award of an SPCOA or COA to the Applicant is **in the public interest**.

All responses to questions shall be in a truthful manner and must be promptly amended when substantive changes occur by filing **Seven copies (six copies and one original) of the amendment** with Central Records in the established docket.

If the Applicant believes that specific information in its Application is not subject to disclosure under the Texas Open Records Act, V.T.C.A., Government Code §552.001 *et seq.* (Vernon Supp. 2000), the Applicant may label that information confidential, citing the applicable provisions of the Open Records Act. Information labeled confidential will be treated as set forth

in the generic SPCOA and COA protective order issued by the Commission on August 30, 1995, a copy of which may be obtained from Central Records at the address set forth above. The title page, affidavit, and responses to questions 1-15(a), 16, and 26-31 should not be labeled confidential. Confidential information shall be filed in accordance with Procedural Rule §22.71(d). If you have any questions concerning the filing of confidential information, contact the Confidential Coordinator, Ms. Sylvia Hopson (sylvia.hopson@puc.state.tx.us).

The CLEC Application is a multipurpose application. The Applicant may file for multiple amendments within the same application. **All Questions listed in the “Update Information as Required” column must be responded to with either updated detailed information or a response of “NO CHANGE”.** If the Application Question is not listed in one of the two columns below, **DO NOT** submit it. This Application is a **FORMAT**, not a form, so add or drop spaces and lines as required. Attachments must be labeled/identified. Please keep attachments to a minimum, providing the responses directly below question as much as possible. Failure to provide complete, truthful, or responsive answers to all requested questions may result in denial or delay in the processing of the certificate requested. An answer of "Not Applicable" or "N/A" is considered non-responsive and is unacceptable. **The instructions are not to be filed with this Application.**

Application Type	Required Responses To Questions	Update Information as Required, but all Questions listed Require a Response.
New SPCOA Application	Title Page (TP), 1–26	
New COA Application	TP, 1–11, & 13–26	
Re-Qualification SPCOA Application	TP, 1–26	
Re-Qualification COA Application	TP, 1–11, & 13–26	
Name Change Amendment	TP, 1, 2(a, b, c, e, h, i), 3, & 14	2(d, f, g)
Certification Relinquishment	TP, 1, 2(a, b, c, e, h, i), 3, 14, & 27-31	
Change in Ownership / Control	TP, 1, 2(a, b, c, e, f, g, h, i), 14, 15, & 17–26	2(d) & 3–13, & 16
Change in Service Area	TP, 1, 2(a, b, c, e, h, i), 7, 14, 15, & 17–26	2(d, f, g), 3–6, & 8–13, & 16
Service Discontinuation	TP, 1, 2(a, b, c, e, h, i), 3, 14, & 27–31	
Change in Type of Provider	TP, 1, 2(a, b, c, e, f, g, h, i), 4-6, 14, 15, & 17–26	3 & 7–13, & 16
Corporate Restructuring	TP, 1, 2(a, b, c, e, f, g, h, i), 14, 15, & 17–26	2(d), & 3–13, & 16



W. Lane Lanford
Executive Director

Public Utility Commission of Texas

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Brett A. Perlman
Commissioner

Rebecca Klein
Commissioner

(TITLE PAGE)

**APPLICATION FOR CERTIFICATION, RE-QUALIFICATION, OR
AMENDMENT TO A
SERVICE PROVIDER CERTIFICATE OF OPERATING AUTHORITY AND
A CERTIFICATE OF OPERATING AUTHORITY**

DOCKET NO. _____

APPLICANT:

Authorized Representative or Attorney to contact about this Application:

NAME: _____ TITLE: _____

ADDRESS:

TELEPHONE: _____ FAX: _____

EMAIL ADDRESS: _____

Agent for Service of Process:

NAME: _____ TITLE: _____

ADDRESS:

TELEPHONE: _____ FAX: _____

EMAIL ADDRESS: _____

SECTION ONE – BASIC INFORMATION

1. Check one or more of the following Requests:

(a) Check only one.

_____ New SPCOA Application

_____ Amended SPCOA Application

Amending SPCOA No. _____

_____ New COA Application

_____ Amended COA Application

Amending COA No. _____

(b) If you are filing an amendment, check one or more of the following as requests made in this amendment filing:

_____ Name Change Amendment

_____ Certification Relinquishment

_____ Change in Ownership/Control

_____ Service Discontinuation

_____ Change in Service Area

_____ Change in Type of Provider

_____ Corporate Restructuring

_____ Other

(c) Provide a summary explanation of all items checked in “b” above.

2. Provide a description of the Applicant, which shall include the following:

(a) Legal name and all assumed names under which the Applicant conducts business, if any;

(b) Address of principal office and business office;

(c) Principal office/business office telephone number

Fax number

Website address

E-mail address

Toll-free customer service telephone number. *(If the Applicant has not obtained the toll-free customer service telephone number at the time of the Application, the Applicant must commit to obtaining one before beginning business);*

(d) FCC Carrier Identification Code (CIC) or National Exchange Carriers Association (NECA) Operating Carrier Numbers (OCNs), if available;

(e) Form of business in Texas (*e.g.*, corporation, partnership, sole proprietorship), Charter/Authorization number, date business was formed and date change was made (if applicable). Provide the State and date in which parent company is registered. *(The Commission requires registration with the Secretary of State for all forms of business, except sole proprietorships.)*

(f) Name, address, and office address of each director, officer, or partner;

- (g) Name, address, and office address of each of the five largest shareholders, if not publicly traded;
- (h) Legal name of parent company, if any, and a description of its primary business interests; and,
- (i) Legal name of all affiliated companies that are public utilities or that are providing telecommunications services and the states in which they are providing service. Give a description of all affiliates and explain in detail the relationship between the Applicant and its affiliates. An organizational chart should be provided.

3. State the name **and only one name**, in which the Applicant wants the Commission to issue its certificate. *(NOTE: If the Applicant is a corporation, the Commission will issue the certificate in either the Applicant's corporate or assumed name, not both. The certificate holder must use only the name approved by the Commission on all bills and advertisements sent to or viewed by the public. Name Changes require Commission Approval as well as Secretary of State Approval.)*

SECTION TWO – TECHNICAL INFORMATION

- 4. (a) Provide a detailed description of the telecommunications services to be provided.
- (b) Indicate with a yes or no response, whether the Applicant will be providing the following telecommunications services:

	<u>Business</u>	<u>Residential</u>
_____ POTS (Plain Old Telephone Service)	_____	_____
_____ ADSL	_____	_____
_____ ISDN	_____	_____
_____ HDSL	_____	_____
_____ SDSL	_____	_____
_____ RADSL	_____	_____
_____ VDSL	_____	_____
_____ Optical Services	_____	_____
_____ T1-Private Line	_____	_____
_____ Switch 56 KBPS (KiloBits Per Second)	_____	_____
_____ Frame Relay	_____	_____
_____ Fractional T1	_____	_____
_____ Long Distance	_____	_____
_____ Wireless	_____	_____
_____ Other (Please Describe): _____	_____	_____

- 5. (a) Is the Applicant providing prepaid calling services?

- (b) If yes to (a), provide a yes or no response to the list of telecommunications services below:

_____ Residential Prepaid Local Calling Services
_____ Business Prepaid Local Calling Services
_____ Residential Prepaid Domestic Long Distance Calling Services
_____ Business Prepaid Domestic Long Distance Calling Services
_____ Residential Prepaid International Long Distance Calling Services
_____ Business Prepaid International Long Distance Calling Services

6. (a) Indicate below the type of local exchange provider being requested: (*Facilities-based, Resale Only, Data Only, or a combination these types of providers*).
- (b) If the answer involves facilities-based or data, please provide a detailed description of the telecommunication facilities, platforms, or systems that will be used to provide these services. Telecommunication facilities include: conduits, ducts, poles, wires, cables, end-office switches, telecommunications circuit equipment, telecommunications signaling systems, and telecommunications transmission facilities used to provide basic local exchange telephone service, basic local telecommunications service, and switched access service.
7. Provide a written description of the exchanges, local access and transportation areas (LATAs), or incumbent local exchange company (ILEC) service areas or attach a scaled map of the geographic area for which the certificate is requested within the State of Texas that the Applicant proposes to serve.
8. Does the Applicant, owner, or any affiliate currently hold a service provider certificate of operating authority (SPCOA), certificate of operating authority (COA), or certificate of convenience and necessity (CCN) for any part of the area covered by this Application?
9. (a) Does the Applicant expect to provide service to customers other than itself and its affiliates?
- (b) Has the Applicant provided one copy of this Application to the Commission on State Emergency Communications (a.k.a. 911 Commission)?
(*Send copy to Commission on State Emergency Communications, Accounts Payable Section at 333 Guadalupe Street, Suite 2-212, Austin, Texas 78701-3942, with phone number 512-305-6911, fax number 512-305-6937, and website address www.911.state.tx.us*).
- (c) As part of the Application provided to the 911 Commission, the applicant shall provide the name, title, address, and telephone number of the applicant's 911 contact person as required in Substantive Rule No. 26.433(e)(2)(a). Any change in the information about the applicant's designated 911 contact person shall be filed with the 911 Commission with five days of the change.

10. (a) Is the Applicant a municipality?
- (b) Will the Applicant enable a municipality or municipal electric system to offer for sale to the public, directly or indirectly, local exchange telephone service, basic local telecommunications service, switched access service, or any non-switched telecommunications service used to provide connections between customers' premises within an exchange or between a customer's premises and a long distance provider serving the exchange?
11. (a) State whether the Applicant has applied for any necessary municipal consent, franchise, or permit required for the types of services and facilities for which it is applying.
- (b) Identify the municipalities from which such consent, franchise, or permit has been requested.
12. (a) **APPLICABLE TO SPCOA APPLICANTS ONLY.** Report total intrastate switched access minutes of use for the Applicant, together with its affiliates, for the twelve-month period beginning sixteen months before the first day of the month in which this Application is filed. (*In calculating minutes of use for this question, include minutes of all entities affiliated with the Applicant.*)
- (b) **APPLICABLE TO SPCOA APPLICANTS ONLY.** Identify all affiliates whose minutes of use are included in the calculation required in 12(a).

SECTION THREE – TECHNICAL QUALIFICATIONS

13. (a) Has the Applicant, its owners, or any affiliate applied for a permit, license, or certificate to provide telecommunications services in any state other than Texas? If yes, identify the state(s) and fully explain.
- (b) Has the Applicant, its owners, or any affiliate ever had a permit, license, or certificate to provide telecommunications services granted by any state? If yes, identify the state(s) and fully explain.
- (c) Has the Applicant, its owners, or any affiliate ever had any permit, license, or certificate denied or revoked by any state? If yes, identify the state(s) and fully explain.
- (d) Has the Applicant, its owners, or any affiliate ever provided telecommunications services in Texas or any other state? If yes, identify the state(s) and fully explain.
- (e) List any telecommunications certifications/authorizations or registrations granted to the Applicant, its parent company, its owners, or any of its affiliates within the State of Texas.

14.
 - (a) Provide the complaint history and history of regulatory actions taken against the Applicant, its parent company, any affiliated companies, and/or any companies of the owners that are public utilities or that have provided telecommunications services for the past 24 months in other states. The information should include, but not be limited to, the type of complaint, status of the complaint, and the resolution of the complaint.
 - (b) Has the Applicant, its parent company, any affiliated companies, and/or any companies of the owner been notified that it is currently under investigation in Texas or another state or jurisdiction for violation of any deceptive trade or consumer protection law or regulation? If yes, please explain.
 - (c) Provide the number of customers per state (including Texas) for the past 24 months, for the Applicant, its parent company, and/or any affiliates that are providing telecommunications services.
15.
 - (a) Provide a detailed description of the Applicant's technical qualifications to provide the local exchange service, basic local telecommunications service, and/or switched access service proposed in this Application.
 - (b) If the Applicant plans to rely upon a consultant to meet the technical qualifications requirements, provide the following information: (1) name, address, and phone number of consultant, (2) a copy of the contract between the principals and the consultant, (3) consultant's resume or description of experience, (4) information regarding any professional registrations or certifications, (5) percentage of the consultant's time being contracted, and (6) a list of other telecommunications companies served by the consultant and the percentage of time allotted to each company.
 - (c) Provide a detailed description or individual resumes setting forth the qualifications of the Applicant's key personnel. Descriptions or resumes shall include (1) **Key Personnel Names**, (2) **Applicant Company Titles**, (3) **Detailed Telecommunications Experience**, and (4) **Years of Experience**.
16. Attach a completed Service Quality Questionnaire.

SECTION FOUR – FINANCIAL QUALIFICATIONS

17. If the Applicant is relying on a third party, including a parent, subsidiary, or affiliate company to support its financial ability to provide the services covered by this Application, provide the following information:
 - (a) identify the third party;

- (b) state the third party's relationship to the Applicant; and
 - (c) detail the nature and extent of the reliance.
- 18. Provide a projected monthly cash-flow forecast for the initial 24-month period following the provision of service by the Applicant. This cash-flow forecast should detail all anticipated revenues and expenses, including operating and marketing expenses. Itemize one-time costs such as the purchase of start-up equipment, and the costs of obtaining an operating certificate from the Commission. Explain any assumptions made in the forecast (revenue-per-customer, sales growth, expense growth) in footnotes.
- 19. Provide a monthly forecast of the accounts receivable balance anticipated to be carried by the Applicant during the initial 24-month period of service provision.
- 20. If the Applicant plans to be a facilities-based carrier, provide a 36 month estimate of capital expenditures, a description of the facilities to be installed, and a description of any anticipated financing. Indicate whether or not these capital expenditures are included in the cash-flow forecast provided above. If so, please explain in detail how they were included.
- 21. Provide evidence of the Applicant's financial qualifications, or the financial qualifications of the third party on which the Applicant is relying, to provide the proposed services. Such evidence should be sufficient to satisfy the financial requirements in PUC Substantive Rule §§26.109 and/or 26.111. Financial instruments that will meet the cash requirements are delineated in PUC Substantive Rule §§ 26.109 and/or 26.111. The Applicant must provide copies of documents from independent sources that demonstrate the Applicant's access to cash or other financial resources. Examples of documentation that may be provided include copies of:
 - (a) three recent, consecutive bank statements;
 - (b) an attestation letter of net financial strength from a certified public accountant or investment account manager;
 - (c) audited financial statements;
 - (d) line-of-credit agreements or letters of credit;
 - (e) sworn letters of guaranty from third parties on which the Applicant is relying for financial support; and
 - (f) bank loan approval documents.
- 22. Applicants that are established business entities shall provide historical financial statements (audited, if available) for the last two years, including income statements, balance sheets, cash-flow statements, and any related footnotes or schedules.

23. If the Applicant is an established business entity, state whether the Applicant, or the third party on which the Applicant is relying for financial support, is currently under the protection of the federal bankruptcy laws or has been under the protection of the federal bankruptcy laws in the past two years. If so, please explain in detail the extent to which the bankruptcy affects the Applicant's financial qualifications.
24. Please provide a summary of any history of bankruptcy, dissolution, merger or acquisition of the applicant or any predecessors in interest for two calendar years immediately preceding this Application.

SECTION FIVE - MISCELLANEOUS

25. Are any owners, directors, officers, or partners in the organization convicted felons? If yes, please explain.
26. OPTIONAL RESPONSE: Provide any additional information that the Applicant believes may be relevant to the Applicant's qualifications to provide the proposed service.

SECTION SIX – RELINQUISHMENT & SERVICE DISCONTINUATION INFORMATION

27. Provide a copy of the customer notification (minimum of 61 days notice) sent to each customer indicating the intent of the Applicant to discontinue service. Notice shall, at a minimum, contain the following information:
 - (a) Approximate date the Applicant intends to discontinue service(s) or operations.
 - (b) Arrangements to transfer customers to carrier of their choice. If no choice is made, provide the carrier of last resort to which the customers' service(s) will be transferred.
 - (c) How and when deposits and credits will be returned to customers. Deposits and credits shall be returned to customers within 60 days of the notification to relinquish certification, or within 30 days of the notification of service(s) discontinuation.
 - (d) A statement that any switchover fees shall be paid by the Applicant for customers to be transferred to the carrier of their choice.
28. Provide a statement that the Applicant shall send a copy of the Application to the Advisory Commission on State Emergency Communications and all affected 9-1-1 entities within 5 days of filing the Application.

29. Provide a statement that the Applicant shall notify the Texas Comptroller's Office, Texas Secretary of State, and the administrator of the Texas Universal Service Fund of its Application within 5 days of filing the Application.
30. Provide a statement that the Applicant shall return deposits and credits to the customers.
31. Provide a statement that the Applicant shall void all interconnection agreements upon Commission approval of an Application to relinquish certification.

SERVICE QUALITY QUESTIONNAIRE for SPCOA and COA APPLICANTS

Will the Applicant meet each of the following benchmark service quality standards? For each "NO" response, please provide an explanation. If the Applicant is relying on an underlying carrier to meet any of the following standards, identify the standard and the carrier.

YES ____ NO ____ Make one-party line service available upon request to all subscribers of local exchange service.

YES ____ NO ____ Install 95% of primary service orders and 90% of regular service orders within five working days of customer orders, excluding those orders where a later date is requested by the customer.

YES ____ NO ____ Meet 90% of commitments to customers regarding the date of installation of service orders, excepting customer-caused delays.

YES ____ NO ____ Maintain the level of held regrade orders (as defined in Substantive Rule 26.54) at or below one percent of access lines served.

YES ____ NO ____ Answer 85% of toll and assistance operator calls within ten seconds.

YES ____ NO ____ Answer 90% of repair service calls and calls to business offices within 20 seconds.

YES ____ NO ____ Provide dial tone within 3 seconds for 98% of calls.

YES ____ NO ____ Maintain an availability factor for stored program controlled digital and analog switching facilities (local intra-office) at 99.99%, or keep total unscheduled outages below 53 minutes per year.

YES ____ NO ____ Maintain an availability factor for stored program controlled digital and analog switching facilities (local inter-office) at 99.93%, or keep total unscheduled outages below 365 minutes per year.

YES ____ NO ____ Complete 97% of properly dialed tolled calls without encountering failure because of blockages or equipment irregularities.

YES ____ NO ____ Maintain an average monthly rate of customer trouble reports, excluding CPE reports, at or below 6%.

YES ____ NO ____ Clear 90% of out-of-service trouble reports within 8 working hours, except where access to the customer's premises is required and not available or where interruptions are caused by unavoidable casualties and acts of God affecting large groups of customers.

- YES ____ NO ____ Maintain the number of repeated trouble reports on residence and single-line business lines at or below 22% of the total customer trouble reports on those lines.
- YES ____ NO ____ Maintain transmission facilities meeting the requirements of Substantive Rule 26.54, Transmission Requirements.
- YES ____ NO ____ Meet the Commission's continuity-of-service requirements established in Substantive Rule 26.51.
- YES ____ NO ____ Provide 911 emergency telephone service in accordance with Chapters 771 and 772 of the Texas Health and Safety Code, as applicable.
- YES ____ NO ____ Commit to providing equipment that will comply with 911 requirements.
- YES ____ NO ____ Commit to providing at least 1 customer service representative per every 2,500 customers during normal business hours.
- YES ____ NO ____ Commit to providing equipment that is local number portability (LNP) capable.
- YES ____ NO ____ Maintain an emergency operations plan that addresses disaster recovery procedures.
- YES ____ NO ____ Comply with PUC Substantive Rules §26.32 and §26.130 requiring notification of customers about slamming and cramming information on monthly bills.
- YES ____ NO ____ Comply with PUC Substantive Rules §26.31 for customer disclosure.
- YES ____ NO ____ Comply with PUC Substantive Rules §26.122 regarding customer proprietary network information.
- YES ____ NO ____ Comply with applicable portions of Chapter 26, Subchapter B regarding customer service and protection.
- YES ____ NO ____ Comply with anti-discrimination laws on the basis of race, nationality, color, religion, sex, marital status, income level, source of income, or geographic location.
- YES ____ NO ____ Disclose to customer that they may contact the PUC and pursue complaints if the customer and certificate holder cannot resolve the complaint.