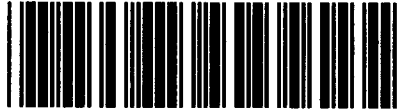




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Public Utility Commission of Texas

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Infrastructure and Reliability Division
Legal Division

RE: **Docket No. 38347 - *Application of Lightyear Network Solutions, LLC for an Amendment to its Service Provider Certificate of Operating Authority***

NOTICE OF APPROVAL

This Notice addresses the application of Lightyear Network Solutions, LLC (Lightyear or Applicant) filed on June 14, 2010, for an amendment to its service provider certificate of operating authority (SPCOA) No. 60353 to reflect a change in ownership/control from Applicant's parent, LY Holdings, LLC to Lightyear Network Solutions, Inc. The docket was processed in accordance with applicable statutes and Public Utility Commission of Texas (Commission) rules. The Commission provided notice of the application to interested parties. More than 15 days have passed since the completion of notice. No protests, motions to intervene, or requests for hearing were filed. Applicant and the Commission Staff are the only parties to the proceeding. Commission Staff recommended approval of the application. The application is approved.

Statutory Findings

1. Applicant is a Kentucky limited liability company as of November 20, 2003, registered with the Texas Secretary of State as of December 12, 2003.
2. LY Holdings, LLC is a Kentucky limited liability company and ultimate parent of Applicant pre and post transaction.

3. Lightyear Network Solutions, Inc. is a publicly held Nevada corporation formed on May 5, 1997, and is wholly-owned by LY Holdings, LLC.
4. Lightyear was registered with the Texas Secretary of State (SOS) as of December 12, 2003, but forfeited existence due to non-payment of taxes as of November 4, 2005.
5. Lightyear was required to provide additional and/or clarifying technical information concerning authority from the Texas SOS and Comptroller's Office to conduct business in Texas. On July 21, 2010, Lightyear provided proof of reinstatement of existence with the Texas SOS as of July 15, 2010.
6. Applicant requested approval of a *pro forma* change in corporate structure that resulted from the insertion of Lightyear Network Solutions, Inc., a publicly held holding company, in between Applicant and its former direct parent company, LY Holdings, LLC.
7. Lightyear's change in ownership/control will have no impact on its ultimate control or any services provided by Lightyear. The transaction is transparent to Applicant's customers.
8. Applicant currently holds SPCOA No. 60353 providing facilities-based, data, and resale telecommunications services in the entire State of Texas and IXC No. IX040038.
9. Lightyear intends to continue to provide Business Only: POTS, ISDN, T-1 Private Line, Frame Relay, Fractional T1, Wireless, and Long Distance services.
10. Applicant will continue to provide at least one customer service representative per 2,500 customers during normal business hours.

11. Any equipment provided by Lightyear will be 911 compliant and local number portability capable.
12. Applicant established a toll-free customer service number, an office number, a fax number, a website address, and an email address.
13. Lightyear's management consists of key personnel that have accumulated over 179 years of telecommunications experience.
14. Applicant's financial qualifications, pursuant to P.U.C. SUBST. R. 26.111, were obtained in *Application of UniDial Communications, Inc. for a Service Provider Certificate of Operating Authority*, Docket No. 22277, Order (May 10, 2000).
15. Lightyear Network Solutions, Inc. affirmed that it and its predecessors-in-interest, if any, do not have a history of bankruptcy, dissolution, merger, or acquisition in the past two calendar years.
16. Applicant has met the requirements of P.U.C. PROC. R. 26.109, 26.111, and 26.113 for an amendment to its SPCOA.
17. The application complies with PURA¹ §§ 54.154-54.159.
18. Applicant is not precluded by PURA §§ 54.152 or 54.201 from providing service under an SPCOA.
19. Pursuant to PURA §§ 54.154(b) and 54.155(b), Applicant is entitled to approval of this application, having demonstrated the required financial and technical qualifications to continue to provide the telecommunications services and the ability to continue to provide the necessary quality of service to its customers.

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001 – 66.016 (Vernon 2007 & Supp. 2009) (PURA).

20. Lightyear filed its 2010 CLEC Annual Report and 2010 IXC Annual Report.

Compliance History

21. The Texas Comptroller's Office determined that Lightyear is in good standing not for dissolution or withdrawal through November 15, 2010, regarding compliance with its rules and statutes.

Complaint History

22. The Commission's Customer Protection Division complaint database revealed two complaints against Applicant for the past 24 months.
23. Lightyear provided its number of customers confidentially for the past 24 months.
24. Applicant's complaint-to-customer ratio is below six percent; therefore, no further investigation is required.
25. The Commission's Enforcement & Investigations database revealed no outstanding notices of violation against Lightyear.
26. In Lightyear's responses to the Commission's Service Quality Questionnaire, Applicant committed to continue to meet the quality of service standards as applicable.

Ordering Paragraphs

1. The application of Lightyear Network Solutions, LLC to amend its SPCOA No. 60353 is approved.² Lightyear Network Solutions, LLC's SPCOA No. 60353 is amended to reflect the change in ownership/control from LY Holdings, LLC to Lightyear Network Solutions, Inc. The name on the SPCOA shall remain Lightyear Network Solutions, LLC.

² Administrative approval of this uncontested application has no precedential value in a future proceeding.

2. Applicant shall be bound by the requirements of P.U.C. SUBST. R. 26.111. Service under this certificate shall be provided exclusively in the name under which the certificate was granted by the Commission.
3. The Applicant shall file any future changes in address, contact representative, and/or telephone numbers in an annual report with the Commission by June 30th of each year *Annual Information Reporting Requirements for a Service Provider Certificate of Operating Authority and/or a Certificate of Operating Authority*, Project No. 27357. If the SPCOA holder has any change during the year in the information requested in Section One of the annual report form, then the SPCOA holder shall file an updated form correcting the information in Section One within 30 days of the change.
4. The Applicant shall provide a copy of its application and/or the Commission's Notice of Approval, in accordance with the individual entity's requirements, to all affected Commission on State Emergency Communications (9-1-1) entities prior to providing service to those entities.
5. The Applicant's provision of local telephone service to end-users, whether by its own facilities, flat-rate resale, or usage sensitive loop, must also include "9-1-1" emergency telephone service at a level required by the applicable regional plan followed by local telephone service providers under Chapters 771 and 772 of the Texas Health and Safety Code, TEX. HEALTH & SAFETY CODE ANN. §§ 771.001 *et seq.* (Vernon 2003) (the Code) or other applicable law, and any applicable rules and regulations implementing those chapters. The Applicant shall diligently work with the Commission on State Emergency Communications, local "9-1-1" entities, and any other agencies or entities authorized by Chapters 771 and 772 of the Code to ensure that all "9-1-1" emergency services, whether provided through the certificate holder's own facilities, flat-rate resale, or usage sensitive loop, are provided in a manner consistent with the applicable regional plan followed by local telephone service providers under Chapters 771 or 772 of the Code or other applicable law and any applicable rules and regulations implementing those chapters. The Applicant shall diligently work with the "9-1-1" entities to pursue, in good faith, the mutually agreed goal that the local "9-1-1" entities and emergency service providers

experience no increase in their current level of rates and, to the extent technically feasible, no degradation in services as a result of the certification granted herein and the involvement of the certificate holder in the provision of "9-1-1" emergency service.

6. The Applicant shall notify all affected 9-1-1 administrative entities at least 30 days prior to activating or using a new NXX in a rate center or upon the commencement of providing local telephone service in any rate center in compliance with P.U.C. SUBST. R. 26.433(d)(3).
7. The Applicant shall execute a separate service agreement with each 9-1-1 entity and remit the required 9-1-1 emergency service fee to the 9-1-1 entity pursuant to such agreement in compliance with P.U.C. SUBST R. 26.435(e)(4).
8. The Applicant has committed to and is bound by the quality of service requirements set forth in the Quality of Service Questionnaire. The underlying incumbent local exchange companies (ILECs) continue to be bound by the quality of service requirements contained in P.U.C. SUBST. R. 26.54. Approval of the SPCOA application does not expand the scope of the underlying ILEC's obligation to its own customers.
9. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the 26th day of July 2010.

PUBLIC UTILITY COMMISSION OF TEXAS



IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT