

Decision No. C03-0615

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 03A-168T

IN THE MATTER OF THE JOINT APPLICATION OF UNIVERSAL ACCESS, INC. AND
CITYNET TELECOMMUNICATIONS, INC. TO EXECUTE A TRANSFER.

ORDER GRANTING APPLICATION

Mailed Date: June 6, 2003
Adopted Date: June 4, 2003

I. BY THE COMMISSION

A. Statement

1. On April 24, 2003, Universal Access, Inc. (Universal), and CityNet Telecommunications, Inc. (CityNet) filed a joint application to execute a transfer of control pursuant to 4 *Code of Colorado Regulations* (CCR) 723-25-8.

2. On December 1, 1999, Universal was granted a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services and a Certificate of Public Convenience and Necessity to provide emerging competitive telecommunications services. *See* Decision No. C99-1297 in Docket No. 99A-468T.

3. Universal's Certificate of Public Convenience and Necessity to provide emerging competitive telecommunications services became null and void through failure to file an initial tariff within 90 days of the Commission's order granting the authority.

4. On September 14, 2001, Universal was granted a Letter of Registration to provide emerging competitive telecommunications services. *See* Decision No. C01-938 in Docket No. 01N-364T.

5. Under terms of the transfer, CityNet will acquire previously unissued shares of Universal's common stock that will total 55 percent of the outstanding common stock of Universal on a fully-diluted basis. In return, CityNet will provide a capital infusion that will strengthen the balance sheet and enhance the liquidity of Universal.

6. In its application, Universal states that the transfer of control will be transparent to its customers because Universal will continue to offer the same telecommunications services under the rates, terms, and conditions now in effect in its current tariff.

7. CityNet does not hold Commission authority to provide local exchange or emerging competitive telecommunications services in Colorado. Therefore, CityNet has provided the supplemental information required in Rule 4 CCR 723-25-4.1 to certify that through its controlling interest in Universal, CityNet has the managerial qualifications, technical competence, and financial resources to provide regulated telecommunications services.

8. Universal has an effective tariff on file with the Commission. Universal will continue to provide local exchange and emerging competitive telecommunications services under this tariff now on file.

9. On April 29, 2003, the Commission issued a Notice of Application Filed, giving notice to all interested parties. No interventions were filed.

10. On May 1, 2003, the joint applicants supplemented the original application to extend the proposed effective date of the transfer to June 4, 2003, and to confirm that there had been no adverse decisions by any court or regulatory body against CityNet within the past five years.

B. Discussion

11. The application is unopposed and may be considered without a hearing. § 40-6-109(5), C.R.S.

12. The Commission finds that the proposed transfer of assets is not contrary to the public interest.

II. ORDER

A. The Commission Orders That:

1. The joint application of Universal Access, Inc., and CityNet Telecommunications, Inc., is deemed complete.

2. The joint application to approve the transfer of control of Universal Access, Inc., to CityNet Telecommunications, Inc., is granted.

3. Universal Access, Inc., shall continue to provide local exchange and emerging competitive telecommunications services to its Colorado customers under the tariffs now in effect, subject to future amendments.

4. Universal Access, Inc., shall continue to have the obligation to file an annual report with the Commission and to contribute to all applicable Colorado funds, including the Public Utilities Commission's Fixed Utilities Fund, the Colorado High Cost Support Mechanism, the Telecommunications Relay Services for the Disabled Telephone Users Program, and the Emergency Telephone Access Act Program.

5. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
June 4, 2003.**

(SEAL)



ATTEST: A TRUE COPY

**Bruce N. Smith
Director**

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners