

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

CP 1428

In the Matter of)
)
CYPRESS COMMUNICATIONS)
OPERATING COMPANY LLC) ORDER
)
Application for a Certificate of Authority)
to Provide Telecommunications Service in)
Oregon and Classification as a Competitive)
Provider.)

DISPOSITION: CANCELLATION ORDER RESCINDED

On November 5, 2008, the Commission granted a certificate of authority to Cypress Communications Operating Company LLC (Cypress) to provide telecommunications service in Oregon as a competitive provider. *See* Order No. 08-533.

Oregon telecommunications providers are required to provide requested information to the Commission. After investigation, the Commission found that Cypress failed to comply with Oregon Universal Service Fund requirements per ORS 759.425 and OAR 860-032-0620 for the 4th Quarter 2009. At the April 13, 2010, public meeting, the Commission determined that Cypress' certificate of authority should be cancelled. Cypress' certificate of authority was cancelled in Order No. 10-187. On June 8, 2010, Cypress filed a comprehensive plan of action and included a request to suspend Order No. 10-187, claiming that it had complied with the Commission's rules and regulations. The company provided proof of compliance with the letter requesting reconsideration.

HISTORY

Cypress has had two previous cancellations of their certificate of authority. The company was granted authority to provide telecommunications service as a competitive provider in two dockets in July, 2002. *See* Order No. 02-578, docket CP 1068 and Order No. 02-461, docket CP 1069. The first cancellation for both dockets occurred in September, 2004, for failure to file Universal Service Fund quarterly reports. At the July 20, 2004, public meeting, the Commission determined that Cypress' certificates of authority should be cancelled. Cypress' certificates of authority in both dockets were cancelled in Order No. 04-445 and Order No. 04-503, respectively.

The second cancellation occurred in May, 2008. *See* Order No. 08-267 and Order No. 08-268. The certificates were both cancelled for failure to pay required revenue fees. Order Nos. 08-267 and 08-268 noted that it was the second time the certificates had been cancelled for noncompliance. The orders also noted that any future application for certification must be accompanied by confirmation that all delinquent fees were paid and filings were submitted for both revenue fee and Oregon Universal Service Fund requirements. Cypress did not file for reconsideration of the cancellation order and both dockets, CP 1068 and CP 1069, were closed.

In September, 2008, Cypress filed a new application for authority to provide telecommunications service in Oregon as a competitive provider. Included with the application was a letter stating the company's commitment to proper compliance management and steps that had been taken to ensure Cypress would maintain its compliance obligations in Oregon on a going-forward basis. The application was accepted and docketed as CP 1428, which combined into one docket the services that were previously provided in two dockets. *See* Order No. 08-533. As described at the beginning of this order, CP 1428 was cancelled for failure to comply with Oregon Universal Service Fund requirements and the Commission is considering Cypress' request for reconsideration.

In each case, Cypress paid the fees but not by the due date to prevent cancellation. Cypress continued to provide telecommunications service to its customers in Oregon. It is not the Commission's intent to cause undue disruption to customers of cancelled competitive providers. Under the circumstances, the cancellation of Cypress' certificate should be rescinded. However, the company should be aware that repeated failure to comply with Commission rules is a serious matter and could result in the company being denied a certificate of authority to provide telecommunication services in Oregon.


The Commission notes that this is the third time that Cypress has sought and been granted reconsideration following the cancellation of its authority. The granting of a certificate places responsibility on the company to fully comply with Commission rules. The company must undertake a plan to prevent the certificate being cancelled a fourth time. If Cypress again fails to fulfill its regulatory obligations and the certificate is cancelled, the Commission may conclude that it is not in the public interest to process a future application for re-certification as a competitive provider. The company may be required to appear before the Commission to respond to Commission inquiries and explain why a certificate should be issued or reconsideration granted to a company that repeatedly fails to comply with Commission rules.

ORDER

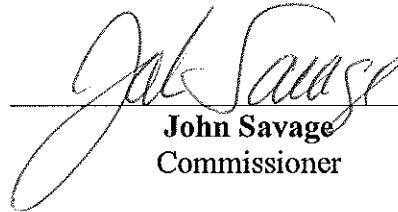
IT IS ORDERED that Order No. 10-187 cancelling the certificate of authority of Cypress Communications Operating Company LLC, is rescinded.

Made, entered, and effective _____

JUL 28 2010



Ray Baum
Chairman



John Savage
Commissioner



Susan K. Ackerman
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.