



PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

FILED

6-14-16
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June 14, 2016

Agenda ID # 14981
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 13-11-014:

This is the proposed decision of Administrative Law Judge S. Pat Tsen. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's July 14, 2016 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ ANNE E. SIMON for
Karen V. Clopton, Chief
Administrative Law Judge

KVC:ge1

Attachment

Decision PROPOSED DECISION OF ALJ TSEN (Mailed 6/14/2016)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Angel Americas, LLC for Registration as an Interexchange Carrier Telephone Corporation pursuant to the provisions of Public Utilities Code Section 1013.

Application 13-11-014
(Filed November 6, 2013)

DECISION DENYING APPLICATION**Summary**

This Decision denies the Application of Angel Americas, LLC for a Certificate of Public Convenience and Necessity to operate as an interexchange carrier telephone corporation in California. The proceeding is closed.

1. Background

On November 6, 2013, Angel Americas, LLC (AA or Applicant) filed Application 13-11-014 with the California Public Utilities Commission's (Commission) Communications Division (CD) requesting registration as an interexchange carrier telephone corporation in California. On December 23, 2013, the Commission's Safety and Enforcement Division (SED) filed a protest. On January 14, 2014, Applicant filed a motion for extension of time to respond to SED's protest. On February 10, 2014, the application was reassigned to be reviewed by an Administrative Law Judge (ALJ). To date, Applicant has not responded to SED's protest.

According to SED, Applicant has been providing prepaid international calling card services in California since September 1, 2013, before filing the registration application with CD. Applicant also acquired the assets of

STi Prepaid, LLC (STi) without Commission approval.¹ STi's Certificate of Public Convenience and Necessity (CPCN) was retired by CD after its parent company filed for bankruptcy, and the company ceased operations.² Applicant is a subsidiary of Angel Telecom (USA) Inc., which is one of three direct subsidiaries to Angel Telecom Holding AG.³ The other two direct subsidiaries, Angel Europe AG and Angel Telecom AG filed for bankruptcy protection on December 4, 2014.⁴

The Federal Communications Commission (FCC) has issued two Notices of Apparent Liability for Forfeitures against STi and its affiliates for willful and repeated violations of the FCC's rules on deceptive marketing and other consumer protection issues.⁵

2. Discussion

All telephone corporations operating in California must either have a CPCN, be registered with the Commission under Public Utilities Code Section (Pub. Util. Code §) 1013, or be authorized to operate in California through registration as a Wireless telecommunications provider.⁶ By operating in California without proper authority, Applicant should be required to reimburse the Commission for back user fees and surcharges. Applicant is also subject to fines and penalties for its unauthorized operation.

¹ See SED Protest at 3.

² The Commission's Utility Contacts Systems database.

³ Angel Telecom Group Website. <http://www.angel-telecom.com/holding/group-structure/>.

⁴ Business Wire. <http://www.businesswire.com/news/home/20141204005315/en/Notice-bankruptcy-subsidiaries-Angel-Telecom-Holding-AG>.

⁵ See SED's protest at 5.

⁶ Pub. Util. Code §§ 1001, 1013. Wireless registrants are telephone corporations.

Since Applicant has failed to respond as required by the Commission, we do not have sufficient information on its operations and financial condition to assess an appropriate penalty. SED is directed to initiate enforcement actions if Applicant is continuing to operate in California without proper authority.

Should Applicant, its affiliates, or successors choose to file a new application for authority to operate in California, it must reference this application, pay back user fees and surcharges, and respond to issues raised by SED in its protest.

3. Categorization and Need for Hearing

In Resolution ALJ 176-3327 dated December 5, 2013, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. There is no need to change the preliminary determinations.

4. Comments on Proposed Decision

The proposed decision of ALJ Tsen in this matter was mailed to the parties in accordance with § 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed by _____ and reply comments were filed by _____ on _____.

5. Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner and S. Pat Tsen is the assigned ALJ in this proceeding.

Findings of Fact

1. On November 6, 2013, Applicant filed an Application for registration license pursuant to Pub. Util. Code § 1013 to operate as a Non-Dominant Interexchange Carrier Telephone Corporation.
2. SED filed its protest to the Application on December 23, 2013.

3. On January 14, 2014, Applicant requested an extension of time to respond to the SED's protest.

4. To date, Applicant has not responded to the SED's protest.

5. Applicant acquired the assets of STi Prepaid, LLC and was offering prepaid international calling card services in California since September 1, 2013.

6. Applicant acquired STi's assets without Commission approval.

7. STi is not authorized to offer telecommunications services in California.

8. Applicant is not authorized to offer telecommunications services in California.

9. Applicant failed to submit required user fees and surcharges to the Commission.

Conclusions of Law

1. Applicant failed to provide necessary information and respond to the Safety and Enforcement Division's protest.

2. This Application should be denied for lack of prosecution.

3. SED should commence enforcement action if Applicant is continuing to offer telecommunication services in California.

4. Applicant, its affiliates, and/or successors should respond to issues raised by SED in order to seek operating authority in California in the future.

5. The proceeding should be closed.

ORDER

IT IS ORDERED that:

1. Application 13-11-014 is denied and Angel Americas, LLC is not authorized to provide interexchange services in California.

2. Angel Americas, LLC, its affiliates, and/or successors must reference this Application and respond to issues raised by the Safety and Enforcement Division if they choose to seek operating authority in California as a telecommunications carrier.

3. Application 13-11-014 is closed.

This order is effective today.

Dated _____, at San Francisco, California.