

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Global Calling Corporation for Authorization to Obtain a Certificate of Public Convenience and Necessity as a Telephone Corporation Pursuant to the Provisions of Public Utilities Code Section 1001.

Application 15-12-014
(Filed December 10, 2015)

**DECISION APPROVING SETTLEMENT AGREEMENT AND GRANTING
GLOBAL CALLING CORPORATION A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY TO PROVIDE INTEREXCHANGE SERVICE
IN CALIFORNIA**

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Summary

The Commission grants Global Calling Corporation a certificate of public convenience and necessity to provide resold interexchange service throughout California, pursuant to Public Utilities Code Section 1001,¹ subject to the terms and conditions set forth in the Ordering Paragraphs herein below. In addition, this decision grants the Joint Motion of the Commission's Consumer Protection and Enforcement Division and Global Calling Corporation (the parties) for the Adoption of the Settlement Agreement between the parties in this matter pursuant to Article 12.1 of the Commission's Rules of Practice and Procedure, and approves the Settlement Agreement between the parties. This decision requires Global Calling Corporation to pay penalties, and remit past fees and surcharges pursuant to the Settlement Agreement.

1. Procedural History and Background

On December 10, 2015, Global Calling Corporation (Global Calling), a Nevada corporation, registered as a foreign corporation in California,² filed Application (A.)15-12-014 (Application) with the California Public Utilities Commission (Commission) for a certificate of public convenience and necessity

¹ In this decision, all statutory references are to the Public Utilities Code unless otherwise indicated.

² According to the Certificate of Status issued by the California Secretary of State on November 24, 2015, Global Calling is authorized to do business in California and is in good standing.

(CPCN) in order to provide resold interexchange service in California pursuant to the Public Utilities Code (Pub. Util. Code) Section 1001.³ Based on its application, Global Calling proposes to provide resold interexchange service throughout California by routing its services over facilities owned by other carriers. Global Calling principal place of business is located at 608 Silver Spur Road, Suite 258, Rolling Hills Estates, CA 90274.

The Commission determined that additional information was needed from Global Calling in order to fully evaluate the application, and, on January 20, 2016 the assigned Administrative Law Judge (ALJ) issued a ruling directing Global Calling to provide needed additional information, and provide other explanations/clarifications regarding information contained in the application.⁴

On January 25, 2016, the Commission's Consumer Protection and Enforcement Division (CPED)⁵ filed a protest to Global Calling's application. CPED's protest alleges that Global Calling operated in California without prior Commission's authorization, and that Global Calling failed to collect/pay or remit required Commission's user fees in violation of Section 1001 and/or Section 1013 and Commission's Rules. Thus, CPED requests that the Commission denies Global Calling application or impose penalties and sanctions on Global Calling.

³ All Statutory references are to the Public Utilities Code unless otherwise indicated.

⁴ Global Calling provided the information, requested in the January 20, 2016 ruling, to the Commission on February 9, 2016.

⁵ CPED was formerly known as the Commission's Safety and Enforcement Division or SED.

On February 3, 2016, the ALJ issued another ruling setting a Prehearing Conference (PHC) for March 1, 2016. On February 26, 2016, the March 1, 2016 PHC was cancelled and was later rescheduled for April 6, 2016.⁶

On April 6, 2016, a PHC was held as scheduled and various matters including the service list, scope and issues to be included in the scoping memo, categorization, need for hearing and schedule for the proceeding, among other matters relevant to this proceeding were discussed.

Following the PHC, the Assigned Commissioner's Scoping Memo was issued on April 19, 2016. The Scoping Memo provided that this proceeding would require an evidentiary hearing,⁷ identified issues for resolution and adopted a schedule for the proceeding.⁸

On April 28, 2016, Global Calling and CPED ("the parties") notified the Commission of a pending settlement between the parties that resolves all issues in A.15-12-014 including those issues identified in CPED's protest. The parties jointly requested an extension of time, up until May 20, 2016, in order to prepare and submit a written settlement agreement to the Commission together with a

⁶ On March 22, 2016, the ALJ held a telephonic Status Conference with the parties to obtain information regarding the status of parties' ongoing settlement negotiation.

⁷ That is, while the Commission's preliminary categorization of this proceeding as ratesetting is confirmed, the Commission's original determination that an evidentiary hearing is not required was changed as it was determined that an evidentiary hearing may be required due to filing of CPED's protest against the application.

⁸ The adopted schedule provides that the parties will file their Concurrent Opening Testimony on May 20, 2016 and their Concurrent Reply Testimony on June 3, 2016. Evidentiary Hearing was set for June 21, 2016, at 9:30 a.m., and Concurrent Opening Briefs and Concurrent Reply Briefs would be due on July 5, 2016, and July 13, 2016, respectively. A Proposed Decision was expected in October 2016.

joint motion of the parties for the approval of the settlement.⁹

The parties' April 28, 2016 joint request for time, to complete and file the proposed settlement agreement with the Commission, was deemed a request by the parties to waive the evidentiary hearing and suspend the procedural schedule adopted and ordered in the April 19, 2016 Scoping Memo. The parties' request was granted, and is again herein affirmed. Accordingly, the evidentiary hearing is cancelled, and schedule adopted in the April 19, 2016 Scoping Memo remains suspended.

2. Settlement Agreement between CPED and Global Calling

On June 3, 2016, the parties submitted a Settlement Agreement and a "Joint Motion of the Consumer Protection and Enforcement Division and Global Calling for Commission Adoption of All-Party Settlement" (Joint Motion). In their Joint Motion, the parties provided that the Settlement Agreement:¹⁰

"Resolved all disputes and issues arising from Global Calling's Application, A.15-12-014, for a certificate of public convenience and necessity to provide resold interexchange telecommunications services, ..., including the issues raised in CPED's Protest. The Joint Parties make this motion based upon the record in this case, the provisions of the proposed Settlement Agreement, and the Joint Stipulated Facts underlying the Settlement Agreement.

⁹ The parties later modified their request, and requested that they be given up until June 3, 2016 to obtain all required signatures on the settlement agreement and submit the settlement agreement to the Commission for approval.

¹⁰ A true and correct fully executed copy of the Settlement Agreement is attached hereto as Attachment E.

The Settlement provides a fair and reasonable resolution with respect to the allegations raised in CPED's Protest..."

Accordingly, the parties requested that the Commission adopt the Settlement Agreement pursuant to Rule 12.1 of the Commission's Rules of Practice and Procedure.

2.1. Settlement Agreements and Rule 12.1 Analysis

In evaluating a settlement, the Commission is guided by Rule 12.1(d), and the Commission has historically favored settlements as a means of resolving contested issues where the settlement is in the public interest, reasonable in light of the record, and consistent with the law.¹¹ Generally, the parties' evaluation carries material weight in the Commission's review of a settlement.¹²

The proposed settlement has been evaluated, and this instant Settlement Agreement satisfies the above-stated criteria. The proposed Settlement Agreement, attached to this decision as Attachment E, is reasonable in light of the whole record as discussed below.

The proposed settlement is reasonable because it saves the Commission significant expenses and use of its resources and it protects the public interest when compared to the uncertain risk, expense, complexity, and likely duration of an evidentiary proceeding.¹³ Approving the proposed Settlement Agreement herein would be consistent with the Commission's policy supporting resolution

¹¹ Rule 12.1(d); *See also*, Decision (D.) 07-05-060.

¹² In re *Southern California Gas Co.* (1999) D.00-09-034, 2000 Cal. PUC LEXIS 694, at *31.

¹³ *Id.*, at *31.

of disputed matters through settlement, and avoids the time, expense, and uncertainty of evidentiary hearings and further litigation.

The Settlement Agreement is supported by the record in this proceeding, and holds Global Calling accountable for the consequences of its prior violations of Commission rules by assessing penalty payments. The Settlement Agreement provides the public with benefits by sending a clear message to the applicant and others about the importance of complying with the Commission's licensing requirements and the Commission's regulatory processes, and by imposing reasonable penalties on the applicant to ensure future deterrence to other would-be violators.

As a party to the Settlement, Global Calling acknowledges that it violated Commission laws and failed to meet important Commission requirements regarding licensing/registration, and collection and remittance of fees and surcharges.¹⁴ Based on the terms of the Settlement Agreement, Global Calling agrees to: (1) pay a penalty of \$30,000 for operating without proper Commission authority; and (2) remit all overdue surcharges and fees plus a 25% interest fee pursuant to Pub. Util. Code § 405 in the total amount of \$742.78.

To implement the Settlement Agreement, payment of the penalty shall commence upon the Commission approval of this Agreement and the Global Calling's application for a certificate of public convenience and necessity according to the following payment schedule and information:

¹⁴ Global admits that it provided intrastate telecommunication service in California (from April 28, 2015 through September 25, 2015) without authority from the Commission in violation of Sections 1001 and/or Section 1013, and that it filed this application to comply with the Commission's licensing requirements.

- a. Within seven days of the Approval Date, Global Calling shall make the first payment of \$5,050 to the Commission.
- b. Within 30 days after the first payment, Global Calling shall make a second payment of \$5,050 to the Commission in the same manner as the first payment.
- c. Within 30 days after the second payment, Global Calling shall make a third payment of \$5,050 to the Commission in the same manner as the first payment.
- d. Within 30 days after the third payment, Global Calling shall pay \$825 for each consecutive month thereafter until the entire \$30,000 has been paid in full to the Commission, i.e., payments four through twenty-one shall each be \$825. These payments shall be made in the same manner as the first payment.
- e. Each payment submitted pursuant to item items 3(a) through 3(d) herein above shall be made in the form of a check or money order **payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102.** Global Calling shall write on the face of the check or money order "For deposit to the State of California General Fund, per Decision [XX-XX-XXX]."

Within 30 days of the effective date of this order, Global Calling Corporation (Global Calling) shall remit all outstanding surcharges and pay all California Public Utilities Commission user fees plus interest pursuant to Public Utilities Code Section 405 in the total amount of \$742.78. Payment shall be made to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. Global Calling shall write on the face of the check or money order, "For deposit to the Commission Program Funds per Decision XX-XX-XXX."

In assessing the reasonableness of the total penalty imposed by the Settlement Agreement, we look to the criteria set forth in D.98-12-075, (Attachment B) for guidance, and we consider: (1) the severity of the economic or physical harm resulting from the violation; (2) the utility's conduct to prevent, detect, disclose, and rectify the violation; (3) the utility's financial resources; (4) the public interest involved; (5) the totality of the circumstances; and (6) Commission precedents. Based on these criteria, Commission precedent, and a review of the Applicant's finances, we conclude that the \$30,000 penalty imposed in this proceeding is reasonable. The \$30,000 represents a significant penalty, but which would not impact Global Calling's ability to provide safe and reliable service to its customer base.

The Settlement Agreement provides sufficient information to enable the Commission to enforce the terms of the Settlement and discharge its future regulatory obligations with respect to the parties and their interests. The Settlement Agreement does not contravene any statutory provisions or prior Commission decisions. It does not constitute a precedent regarding any principle or issue in this proceeding or any future proceeding.

The benefits of approving this settlement, including Global Calling's payment of penalties to the General Fund, and all overdue surcharges and fees plus a 25% interest fee pursuant to Pub. Util. Code § 405, offers a reasonable resolution in light of the evidence, and avoids continued litigation and associated costs.¹⁵

¹⁵ See D.07-05-060, Op., at 6.

Overall, having evaluated the terms of the Settlement Agreement in light of Rule 12.1(d), the ALJ finds the Settlement Agreement submitted by the parties fairly resolves all issues in CPED's protest and investigation, and complies with Rule 12.1(d). Accordingly, it is recommended that the Commission adopt the Joint Parties' Settlement Agreement without modification, and approve the same as reasonable in light of the whole record. It is consistent with law and in the public interest, and based on this record, hearings are no longer necessary in this proceeding.

Accordingly, as further discussed below, the Commission should grant Global Calling a CPCN to provide resold interexchange service in California as requested in A.15-12-014. Based on this record, the ALJ finds that Global Calling meets the requirements to be granted a CPCN for resold interexchange services, and is fit to operate as a telecommunications service provider in California. In addition, granting Global Calling's application will benefit the public interest by expanding the availability of telecommunications services within the state.

However, the approval of Global Calling's application for a CPCN should be conditioned on its compliance with the terms of the Settlement Agreement herein approved, and its willingness to comply with the Commission's laws, regulations and decisions in the future.

3. Jurisdiction

Section 216(a) defines the term "public utility" to include a "telephone corporation," which in turn is defined in Section 234(a) as "every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state."

Global Calling proposes to provide telecommunications services including interexchange services to customers in California. Accordingly, Global Calling is

a telephone corporation and a public utility subject to the Commission's jurisdiction.

4. California Environmental Quality Act (CEQA)

CEQA requires that the Commission act as the designated lead agency to assess the potential environmental impacts of a project in order to avoid adverse effects, investigate alternatives, and restore or enhance environmental quality to the fullest extent possible.¹⁶ Since Global Calling does not intend to construct any facilities other than equipment to be installed in existing buildings or structures, granting this application will not adversely impact the environment. Before it can construct facilities other than equipment to be installed in existing buildings or structures, Global Calling must file for additional authority, and submit to any necessary CEQA review.

5. Financial Qualifications

Pursuant to Rule 3.1(g), a CPCN applicant for authority to provide resold interexchange services must demonstrate that it has a minimum of \$25,000 cash or cash equivalent to meet its start-up expenses. The applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by interexchange carriers in order to provide the proposed services.¹⁷

¹⁶ See Rule 2.4.

¹⁷ The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIECs) is contained in D.91-10-041. Also, see Rule 2.3. In addition, the requirement for Competitive Local Carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying Local Exchange Carriers (LEC) and/or Interexchange Carriers (IECs) is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

In this application for a CPCN, Global Calling indicated that it intends to provide only resold interexchange service. The financial information Global Calling provided to the Commission demonstrated that Global Calling has adequate cash or cash equivalent to meet its start-up expenses for its first year of operation following certification, and that it has enough cash to fund should a deposit be required by those carriers that Global Calling intends to interconnect with for its operation following certification. Accordingly, Global Calling meets the Commission's requirement that a CPCN applicant have a minimum of the required cash or cash equivalent that is reasonably liquid and available to meet its start-up expenses.

6. Technical Qualifications

To be granted a CPCN for authority to provide local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.¹⁸ Global Calling supplied biographical information for its management officers in Exhibit 5 to its application that demonstrated that Global Calling has sufficient expertise and training to operate as a telecommunications provider. Global Calling is also currently registered as a Voice over Internet Protocol (VoIP) provider with the Commission. In its application, Global Calling verified that no one associated with or employed by Global Calling as an affiliate, officer, director, partner, or owner of more than 10% of Global Calling was previously associated with a telecommunications carrier that filed for bankruptcy, was sanctioned by the Federal Communications Commission or any state regulatory

¹⁸ D.95-12-056 at Appendix C, Rule 4.A.

agency for failure to comply with any regulatory statute, rule, or order, or has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code or for any actions involving misrepresentations to consumers, nor is currently under investigation for similar violations.

For the above reasons, we find that Global Calling is in compliance with the requirements of D.95-12-056.

7. Tariffs (Detariffed Rates Authorization Requested)

In its application, Global Calling stated that it would not offer basic local, access or special access services, and requested a waiver from the Commission's requirement that carriers file their interchange tariff (describing their services, rates, and terms and conditions of those services) with the Commission. Instead, Global Calling requested that it be authorized to offer its services on a detariffed basis as permitted in General Order (GO) 96-B - Telecommunications Industry Rules (Telecommunications Rules)¹⁹ with regards to the provision of detariffed services. Global Calling's request is appropriate and it should be granted as further discussed below.

Pursuant to the Telecommunications Rules, Global Calling must: (1) post all of its detariffed rates, terms, and conditions of service on an internet site pursuant to Rule 5.2 of GO 96-B; and (2) notify its customers of any service not provided under tariff, higher rates or charges, more restrictive terms or conditions, withdrawal of service, or transfer of ownership or customer base pursuant to Rule 5.3 of GO 96-B. Further, Global Calling must post a description

¹⁹ As authorized in D.07-09-019.

of its services and price list on its website, and file an Access Service tariff prior to billing any carriers for Intrastate Switched Access service.

GO 96-B allows the Commission to grant exceptions “from the general requirement ... that a Utility serve its California customers under its filed tariffs,” and such exceptions, allowing the Utility to provide detariffed service, may be granted to a specific Utility or type of Utility, or for specific services offered by the Utility or type of Utility.”²⁰ The Commission has the discretion to permit Global Calling to provide its services on a detariffed basis and require it to comply with the conditions contained in the GO 96-B with regards to the provision of such detariffed services. Global Calling’s detariffing request is reasonable and will be granted.

8. Map of Service Territory

To be granted a CPCN for authority to provide local exchange service, an applicant must provide a map of the service territories it proposes to serve.²¹ Global Calling is not providing local exchange service, but indicated it will provide resold interexchange service only throughout the state of California and provided a map of California. Global Calling has complied with this requirement.

9. Expected Customer Base

Global Calling provided its estimated customer base for the first and fifth years of operation, and has complied with this requirement.

²⁰ See GO-96-B, Industry Rule 5, under “Detariffed and Non-tariffed Service.”

²¹ D.95-12-056 at Appendix C, Rule 4.E.

10. Request for Treatment as a Non-Dominant Carrier

Global Calling requests treatment as a non-dominant interexchange carrier, which would include exemption from the requirements of Pub. Util. Code §§ 816-830 concerning stocks and security, and § 851, concerning the encumbrance and transfer of utility property. The Commission detailed its rules regarding exemption of non-dominant carriers in D.85-01-008, and subsequently modified in D.85-07-081 and D.85-11-044. We grant Applicant's request for non-dominant interexchange carrier status, provided that they follow all rules detailed in the above referenced decisions.²²

11. Exemption from Uniform System of Accounts Requirements Request

Pursuant to D.99-02-038, Global Calling requests that it be exempted from the requirement to maintain its books and records according to the Uniform System of Accounts (USOA).²³ D.99-02-038, which relieves NDIECs, non-dominant CLECs and competitive local carriers (CLCs) from certain accounting requirements provides:

"CLCs ... and NDIECS which are not part of an ILEC corporate entity should be relieved of the obligation to keep their books and records for their CLC and NDIEC operations in accordance with the USOA, but should still be required to keep their books and records in accordance with GAAP."²⁴

²² While the Commission has granted exemption from §§ 816 - 830 to others, exemption from §§ 851 - 854 has not been granted previously and is not granted here.

²³ The USOA was developed by the Federal Communications Commission (FCC) and is set forth in Title 47, Code of Federal Regulations, Part 32. California adopted a version of the FCC's USOA in Order Instituting Investigation 87-02-023.

²⁴ ILEC - Incumbent Local Exchange Carrier; GAAP - Generally Accepted Accounting Principles.

“Competitive Local Carrier (CLCs) ... and non-dominant interexchange carriers (NDIECs) which are not part of an incumbent local exchange corporate entity are hereby exempted from the requirement to keep their books and records for their CLC and NDIEC operations in accordance with the Uniform System of Accounts (USOA) specified in Title 47, Code of Federal Regulations, Part 32.”

(See D.99-02-038)

Pursuant to D.99-02-038, the Commission may exempt NDIECs and CLCs that are not part of an ILEC corporate entity from complying with USOA requirements. In addition, the Commission found in D.99-02-038 that this exemption, applicable to carriers offering local and interexchange services including CLECs, **“will not hinder the Commission’s enforcement responsibilities”** because exempt CLCs, NDIECs and CLECs are still required to maintain their books in accordance with the GAAP, and continue to make their accounting records available to the Commission upon demand pursuant to § 581.

In summary, the Commission may grant Global Calling relief from the requirement to keep its books of account in conformance with USOA, and in doing so, Global Calling may be required to maintain its books in accordance with GAAP as provided in D.99-02-038, and comply with § 581 by making its accounting books available to the Commission upon demand.

12. Safety Considerations

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here and feel satisfied that Global Calling will meet the Commission’s minimum safety goals and

expectations of CLEC's because: (1) Global Calling has taken steps to meet the financial requirements as set forth in this decision for a Non-Dominant Carrier; and (2) Global Calling is a public utility that is required, pursuant to Pub. Util. Code § 451, to "... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

13. Conclusion

Based on this record, we conclude that Global Calling's application conforms to our rules for certification as an interexchange carrier. Accordingly, we grant Global Calling a CPCN to provide resold interexchange service throughout California subject to the terms and conditions set forth in the Ordering Paragraphs herein below.

The CPCN granted by this decision provides benefits to Global Calling and corresponding obligations. Global Calling receives authority to operate in the prescribed service territory (throughout California), can request interconnection with telecommunications carriers in accordance with Section 251 of the Federal Communications Act (47 U.S.C. 251), and receives access to public rights-of-way in California as set forth in D.98-10-058 subject to the CEQA requirements set forth in this decision. In return, Global Calling is obligated to comply with all applicable Public Utilities Codes and Commission Rules, GOs, and decisions applicable to telecommunications carriers providing approved services. The applicable Codes, Rules, etc. include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, Global Calling is obligated to pay all Commission-prescribed user fees and public purpose program surcharges as set forth in Attachment B of this decision,

to comply with CEQA, and to adhere to Pub. Util. Code § 451 which states that every public utility “...shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

14. Request to File Under Seal

Pursuant to Rule 11.4 of the Commission’s Rules of Practice and Procedure, Global Calling has filed motions for leave to file under seal Exhibit 4 to the application, and Exhibit A (to Global Calling’s February 9, 2016 response to the ALJ’s January 20, 2016 ruling) as confidential materials. Global Calling represents that the information is sensitive, and disclosure could place Global Calling at an unfair business disadvantage. We have granted similar requests in the past and do so here.

15. Categorization and Need for Hearings

In Resolution ALJ 176-3370, dated January 14, 2016 the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. An all-party settlement is adopted, and there is no apparent reason why the application should not be granted. Given these developments, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

16. Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested by Global Calling. Pursuant to § 311(g)(2) and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is deemed waived.

17. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner and Adeniyi A. Ayoade is the assigned ALJ in this proceeding.

Findings of Fact

1. Notice of the application appeared on the Daily Calendar on December 22 2015. No protests were filed, and a hearing is not required.

2. Global Calling is a telephone corporation and a public utility as defined in Pub. Util. Code §§ 234(a) and 216(a).

3. Global Calling and CPED, the only parties in this proceeding, negotiated and reached a settlement of all contested issues. The parties filed a Joint Motion for approval of a Settlement Agreement on June 3, 2016.

4. Pursuant to the settlement entered into between Global Calling and CPED in this proceeding, Global Calling demonstrated that it is able and willing to accept Commission jurisdiction over it as a telephone company and that it is willing and able to comply with Commission rules, decisions, GOs, and statutes that pertain to California public utilities.

5. Based on the Settlement Agreement, Global Calling acknowledges that it violated laws, and/or Commission licensing requirements, by providing intrastate telecommunication service in California without authority from the Commission, and by failing to collect and remit fees and surcharges required by law.

6. The Settlement Agreement between Global Calling and CPED complies with Rule 12.1(d) and is: (1) reasonable in light of the record; (2) consistent with the law; and (3) in the public interest. The Settlement Agreement conveys sufficient information to permit the Commission to discharge its future regulatory obligations with respect to the parties and their interests.

7. Approving the Application and the Settlement Agreement is the relief requested by the parties and this relief is not opposed by any party in this proceeding

8. Global Calling meets the requirements for a CPCN to provide resold interexchange service in California.

9. Global Calling has a minimum of \$25,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

10. Global Calling has sufficient additional cash or cash equivalent as may be required to cover deposits required by other telecommunications carriers in order to provide the proposed service.

11. Global Calling's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.

12. Other than Renzo Biogeti,²⁵ no one associated with or employed by Global Calling as an affiliate, officer, director, partner, or owner of more than 10% of Global Calling was: previously associated with a telecommunications carrier that filed for bankruptcy; was sanctioned by the FCC or any state regulatory agency for failure to comply with any regulatory statute, rule, or order; or was previously associated with any telecommunication carrier that has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code,

²⁵ The owner of Global Calling, Renzo Biogeti, also owned the previous company, RB Communications, Inc. (RB Communications). RB Communications was previously authorized by the Commission to provide interexchange services, but the Commission revoked RB Communications' authority on April 20, 2012 through Resolution T-17539. (*See* Attachment E, paragraphs 1 through 24).

or for any actions which involved misrepresentations to consumers, or is currently under investigation for similar violations.

13. It is reasonable to permit Global Calling to provide its services on a detariffed basis, and to require Global Calling to comply with the Telecommunications Rules regarding the provision of detariffed services by telephone corporations as contained in GO 96-B and authorized in D.07-09-019.

14. Global Calling provided a map of the location of its proposed service territory.

15. Global Calling has no information to report under Rule 3.1(i), which requires that a utility filing an application under Pub. Util. Code § 1001 provide a statement regarding compliance with GO 104-A, Section 2.

16. Global Calling provided an estimate of its customer base for its first and fifth year of operation.

17. Pursuant to Rule 11.4, Global Calling filed motions for leave to file under seal confidential materials, including Exhibit 4 to the application and Exhibit A (to Global Calling's February 9, 2016 response to the ALJ's January 20, 2016 ruling).

18. The Commission has the authority to exempt Global Calling from the requirement to maintain its books and records according to the USOA, and to require Global Calling to keep its books and records in accordance with the GAAP instead.

Conclusions of Law

1. The Commission should approve by the settlement agreement between Global Calling and CPED.

2. The settlement agreement between Global Calling and CPED complies with Rule 12.1(d), and the settlement is both reasonable and consistent with law, and

is in the public interest. Nothing in the Settlement Agreement contravenes any statute or Commission decision or rule.

3. The benefits of the Settlement Agreement to the public outweigh the benefits of continued litigation.

4. The penalty level of the Settlement Agreement is reasonable given the facts in this proceeding and the totality of the record in this proceeding.

5. With the filing of the Settlement Agreement, this proceeding is an uncontested matter, and in approving the Settlement Agreement this decision grants the relief requested.

6. Hearings are not necessary in this proceeding.

7. Global Calling should be required to pay the \$30,000 penalty and remit all overdue surcharges and fees plus a 25% interest fee pursuant to Public Utilities Code Section 405 in the total amount of \$742.78 pursuant to the Settlement Agreement between Global Calling and CPED.

8. Global Calling should be granted a CPCN to provide resold interexchange service in California subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

9. Global Calling, once granted a CPCN, should be subject to the applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities.

10. Global Calling should be authorized to provide its services on a detariffed basis, and should be required to comply with the Telecommunications Rules regarding the provision of detariffed services by telephone corporations as contained in GO 96-B and authorized in D.07-09-019.

11. Global Calling's motions to file under seal its Exhibit 4 to the application and Exhibit A (to Global Calling's February 9, 2016 response to the ALJ's January 20, 2016 ruling) should be granted for three years.

12. Global Calling should be granted non-dominant carrier status, subject to Commission rules and regulations as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044.

13. Global Calling should be exempt from the requirement to maintain its books and records according to the USOA.

14. Global Calling should be required to maintain its books and records in accordance with the GAAP.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Global Calling Corporation to provide resold interexchange service in California subject to the terms and conditions set forth below.

2. The June 3, 2016 Joint Motion by Global Calling Corporation and the Commission's Consumer Protection and Enforcement Division for the Commission's Adoption of the Settlement Agreement between the two in A.15-12-014, pursuant to Article 12.1 of the Commission's Rules of Practice and Procedure, is granted.

3. The Settlement Agreement attached herein as Attachment E to this decision is approved.

4. Pursuant to the terms of the Settlement Agreement, Global Calling Corporation (Global Calling) shall pay a penalty in the amount of thirty

thousand dollars (\$30,000). Payment of the penalty shall commence upon the Commission approval of this Agreement and the Global Calling's application for a certificate of public convenience and necessity according to the following payment schedule and information:

- f. Within seven days of the Approval Date, Global Calling shall make the first payment of \$5,050 to the Commission.
- g. Within 30 days after the first payment, Global Calling shall make a second payment of \$5,050 to the Commission in the same manner as the first payment.
- h. Within 30 days after the second payment, Global Calling shall make a third payment of \$5,050 to the Commission in the same manner as the first payment.
- i. Within 30 days after the third payment, Global Calling shall pay \$825 for each consecutive month thereafter until the entire \$30,000 has been paid in full to the Commission, i.e., payments four through twenty-one shall each be \$825. These payments shall be made in the same manner as the first payment.
- j. Each payment submitted pursuant to item items 3(a) through 3(d) herein above shall be made in the form of a check or money order **payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102.** Global Calling shall write on the face of the check or money order "For deposit to the State of California General Fund, per Decision [XX-XX-XXX]."

5. Within 30 days of the effective date of this order, Global Calling Corporation (Global Calling) shall remit all outstanding surcharges and pay all California Public Utilities Commission user fees plus interest pursuant to Public Utilities Code Section 405 in the total amount of \$742.78. Payment shall be made to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000,

San Francisco, CA 94102. Global Calling shall write on the face of the check or money order, "For deposit to the Commission Program Funds per Decision XX-XX-XXX."

6. Global Calling Corporation is authorized to provide its services on a detariffed basis, and is required to comply with the Telecommunications Rules regarding the provision of detariffed services by telephone corporations as contained in General Order 96-B and authorized in Decision 07-09-019.

7. The corporate identification number assigned to Global Calling Corporation, U-7308-C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

8. The certificate granted by this order will expire if not exercised within 12 months of the effective date of this order.

9. Global Calling Corporation must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (i.e., there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Global Calling Corporation must submit a Tier 1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier 1 advice letter annually, but not later than March 31, with a copy of the executed bond.

10. Global Calling Corporation must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Director of the

Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

11. In addition to all the requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision, Global Calling Corporation is subject to the Consumer Protection Rules contained in General Order 168, and all applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

12. Global Calling Corporation must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

13. Global Calling Corporation must annually pay the public purpose surcharges specified in Attachment B. Per the instructions in Exhibit E to Decision 00-10-028, the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

14. Global Calling Corporation must annually pay the user fee specified in Attachment B. Applicant must pay a minimum user fee of \$100 or 0.23% of gross intrastate revenue, whichever is greater. Under Public Utilities Code Section 405, carriers that are in default of reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of their authority to operate in California.

15. Prior to initiating service, Global Calling Corporation must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints.

This information must be updated if the name or telephone number changes, or at least annually.

16. Prior to initiating service, Global Calling Corporation must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at: <http://www.cpuc.ca.gov/communications/>. This information must be updated if the name or telephone number changes, or at least annually.

17. Global Calling Corporation must notify the Director of the Communications Division, in writing, of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

18. Global Calling Corporation must file an affiliate transaction report with the Director of the Communications Division, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D.

19. Global Calling Corporation must file an annual report with the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

20. Global Calling Corporation's motion to file under seal its Exhibit 4 to the application, and Exhibit A (to Global Calling's February 9, 2016 response to the ALJ's January 20, 2016 ruling) is granted for a period of three years after the date of this order. During this three year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If Global Calling believes that it is necessary for this information to

remain under seal for longer than three years, Global Calling may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

21. Global Calling Corporation is exempted from the requirement to maintain its books and records according to the Uniform System of Accounts.

22. Global Calling Corporation must keep its books and records in accordance with the Generally Accepted Accounting Principles.

23. The Settlement Agreement between Global Calling Corporation and the Commission's Consumer Protection and Enforcement Division is approved by the Commission, and the terms of the Settlement Agreement are herein adopted and made part of this decision.

24. The terms of the Settlement Agreement between Global Calling Corporation (Global Calling) and the Commission's Consumer Protection and Enforcement Division shall be enforceable by the Commission against Global Calling and any violation of its terms may subject Global Calling to Commission actions, including penalties or sanctions.

25. Application 15-10-013 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

Tariffs (NOT APPLICABLE)

THIS DECISION AUTHORIZES DETARIFFED SERVICE

(END OF ATTACHMENT A)

ATTACHMENT B**REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS**

1. Applicant must file, in this docket with reference to this decision number,¹ a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. The certificate granted and the authority to render service under the rates, charges and rules authorized will expire if not exercised within 12 months of the date of this order.

3. Applicant is subject to the following fees and surcharges that must be regularly remitted. Per the instructions in Exhibit E to Decision (D.) 00-10-028, the Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

- a. The Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code § 879);
- b. The California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073);
- c. The California High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, at 3-4, App. B, Rule 1.C);
- d. The California High Cost Fund-B (D.96-10-066, at 191, App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (D.07-12-054);
- f. The California Teleconnect Fund (D.96-10-066, at 88, App. B, Rule 8.G).

¹ Written acceptance filed in this docket does not reopen the proceeding.

- g. The User Fee provided in Pub. Util. Code §§ 431-435. The minimum annual User Fee is \$100, as set forth in D.13-05-035.

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, Applicant must check the joint tariff for surcharges and fees filed by Pacific Bell Telephone Company (dba AT&T California) and apply the current surcharge and fee amounts in that joint tariff on end-user bills until further revised. Current and historical surcharge rates can be found at

<http://www.cpuc.ca.gov/General.aspx?id=1124>.

- Carriers must report and remit CPUC telephone program surcharges online using the CPUC Telecommunications and User Fees Filing System (TUFFS). Information and instructions for online reporting and payment of surcharges are available at <http://www.cpuc.ca.gov/General.aspx?id=1010>. To request a user ID and password for TUFFS online filing and for questions, please e-mail Telco_surcharges@cpuc.ca.gov.
 - Carriers must file and pay the PUC User Fee (see above item 2g) upon receiving the User Fee statement sent by the Commission. User Fees cannot be reported or paid online. Instructions for reporting filing are available at <http://www.cpuc.ca.gov/General.aspx?id=1009>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.
4. Applicant is a non-dominant interexchange carrier (NDIEC). The effectiveness of its future NDIEC tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).
5. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in #3 above.
6. Applicant must file a service area map as part of its initial tariff.

7. Applicant must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (i.e., there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Applicant must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

8. Applicant must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Direction of the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

9. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints.

10. Applicant must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://www.cpuc.ca.gov/communications>. This information must be updated if the name or telephone number changes, or at least annually.

11. Applicant must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.
12. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.
13. In the event Applicant's books and records are required for inspection by the Commission or its staff, it must either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.
14. Applicant must file an annual report with the Director of the Communications Division, in compliance with GO 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.
15. Applicant must file an affiliate transaction report with the Director of the Communications Division, in compliance with D.93-02-019, on a calendar-year basis using the form contained in Attachment D.
16. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.
17. Within 60 days of the effective date of this order, Applicant must comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division in writing of its compliance.
18. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #3 above, and has not received written permission from the Communications Division to file or remit late, the Communications Division must prepare for Commission consideration a resolution that revokes Applicant's CPCN.

19. Applicant is exempt from Rule 3.1(b) of the Commission Rules of Practice and Procedure

20. Applicant is exempt from Pub. Util. Code §§ 816-830.

21. Applicant is exempt from the requirements of Pub. Util. Code § 851 for the transfer or encumbrance of property whenever such transfer or encumbrance serves to secure debt.

22. If Applicant decides to discontinue service or file for bankruptcy, it must immediately notify the Communications Division's Bankruptcy Coordinator.

23. Applicant must send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

(END OF ATTACHMENT B)

ATTACHMENT C

ANNUAL REPORT

An original and a machine readable, copy using Microsoft Word or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in Pub. Util. Code §§ 2107 and 2108.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).

If incorporated, specify:

- a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
 7. Date operations were begun.
 8. Description of other business activities in which the utility is engaged.
 9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
 - a. Regulated public utility.
 - b. Publicly held corporation.

10. Balance sheet as of December 31st of the year for which information is submitted.
 11. Income statement for California operations for the calendar year for which information is submitted.
 12. Cash Flow statement as of December 31st of the calendar year for which information is submitted, for California operations only.
- For answers to any questions concerning this report, call (415) 703-2883.

(END OF ATTACHMENT C)

ATTACHMENT D

CALENDAR YEAR AFFILIATE TRANSACTION REPORT

An original and a machine readable, copy using Microsoft Word and Excel, or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than May 1st of the year following the calendar year for which the annual report is submitted.

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the Annual Affiliate Transaction Report.

- Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership)
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart must have the controlling corporation (if any) at the top of the chart, the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart, and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in

turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility’s Annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.

6. Utilities that do not have affiliated entities must file, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

(END OF ATTACHMENT D)

ATTACHMENT E

SETTLEMENT AGREEMENT BETWEEN CONSUMER PROTECTION AND ENFORCEMENT DIVISION AND GLOBAL CALLING CORPORATION IN CALIFORNIA PUBLIC UTILITIES COMMISSION APPLICATION 15-12-014

**SETTLEMENT AGREEMENT BETWEEN
CONSUMER PROTECTION AND ENFORCEMENT DIVISION AND
GLOBAL CALLING CORPORATION IN RESOLUTION OF DISPUTED MATTERS IN
CALIFORNIA PUBLIC UTILITIES COMMISSION
APPLICATION 15-12-014**

This Settlement Agreement (“Agreement”) is hereby entered into by and between the Consumer Protection and Enforcement Division (“CPED”) (previously known as Safety and Enforcement Division [“SED”]), of the California Public Utilities Commission (“Commission” or “CPUC”) and Global Calling Corporation, a Nevada corporation (“Global”), and its successors, affiliates, and assigns, and sets forth the following terms of the settlement of CPED’s protest to Global’s Application for a license to provide resold interexchange telecommunications services (“Application”). All of the above-mentioned parties are sometimes individually referred to as “Party” and/or collectively referred to as “the Parties.”

RECITALS

- A. On December 10, 2015, Global filed Application (A.) 15-12-014 (the “Application”) with the Commission.
- B. On January 25, 2016, CPED filed a protest to Global’s Application.
- C. CPED and Global have stipulated to certain facts regarding the Application (“Stipulated Facts”), which Stipulated Facts are attached as **Exhibit 1** to this Agreement. On the basis of these Stipulated Facts, and of the terms agreed to by the Parties in this Agreement, the Parties believe that this Agreement represents a fair resolution of all matters raised in CPED’s Protest to A.15-12-014, and it is in the public interest for the Commission to approve this Agreement.

NOW THEREFORE, in consideration of the foregoing and based upon the mutual promises and representations made by the Parties to each other, the Parties hereby agree as follows:

TERMS OF SETTLEMENT

1. **Admissions:** Global admits that it has been operating since April 28, 2015 without authority from the Commission in violation of Public Utilities Code Section 1001 or Section 1013. Global filed the Application to comply with the CPUC’s licensing requirements.
2. **Penalty:** Global shall pay a penalty in the amount of thirty thousand dollars (\$30,000). Global shall pay the penalty upon Commission approval of this Agreement and the Application (“Approval Date”), pursuant to the following payment schedule:

- a. Within seven days of the Approval Date, Global shall make the first payment of \$5,050 to the Commission. Payment shall be made in the form of a check or money order payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. Global shall write on the face of the check or money order "For deposit to the State of California General Fund, per Decision [XX-XX-XXX]."
 - b. Within 30 days after the first payment, Global shall make a second payment of \$5,050 to the Commission in the same manner as the first payment.
 - c. Within 30 days after the second payment, Global shall make a third payment of \$5,050 to the Commission in the same manner as the first payment.
 - d. Within 30 days after the third payment, Global shall pay \$825 for each consecutive month thereafter until the entire \$30,000 has been paid in full to the Commission, i.e., payments four through twenty-one shall each be \$825. These payments shall be made in the same manner as the first payment.
3. **Outstanding Surcharges and CPUC User Fees:** Global shall remit all outstanding surcharges and pay all CPUC user fees plus interest pursuant to Pub. Util. Code section 405 in the total amount of \$742.78.

General Terms

4. **Commission Approval of the Agreement.** CPED and Global agree to cooperate and use their respective best efforts to promptly file a joint Motion for Approval of Settlement at the Commission. After signing this Agreement, the Parties shall actively support prompt approval of the Agreement, including briefing, comments on any proposed decision, appearances, and other means as may be needed to obtain approval of the Commission.
5. **Settlement and Release:** This Agreement represents a full and final resolution of CPED's Protest to Application 15-12-014 and the matters giving rise thereto. If the Commission does not approve this Agreement in full, it shall have no force and effect, except to the extent set forth in Paragraph 13 (Severability/Commission Modification of the Agreement).
6. **Jurisdiction:** The Commission has jurisdiction over the Parties and subject matter of this Agreement and authority to enforce this Agreement.
7. **Enforcement of this Agreement.** The Parties and their counsel agree to fully cooperate with each other to accomplish the terms of this Agreement in an expeditious manner. The CPUC shall retain continuing jurisdiction over this matter for the term of the Agreement, including jurisdiction to enforce the terms of this Agreement. In the event of a breach, any Party to this Agreement may move the Commission to enforce this Agreement; however, before filing such motion, the moving Party shall meet and confer

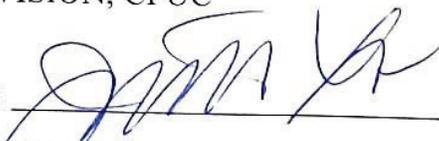
with all the Parties in a good faith attempt to resolve the issue without Commission intervention.

8. **Final Agreement/Intent of Parties.** This Agreement embodies the entire understanding of the Parties with respect to the matters described herein and supersedes any and all prior oral or written agreements, principles, negotiations, statements or understandings among the Parties. The Agreement may be amended only by a written agreement signed by all the Parties. The Parties have bargained in good faith to achieve this Agreement. Each of the Parties has contributed to the preparation of this Agreement. Accordingly, the Parties agree that no provision of the Agreement shall be construed as against any party because that party or its counsel drafted the provision.
9. **Governing Law.** This Agreement shall be governed by the laws of the State of California.
10. **Severability/Commission Modification of the Agreement.** No individual term of this Agreement is agreed to by any Party except in consideration of the Parties' assent to all other terms. Thus, the Agreement is indivisible and each part is interdependent on each and all other parts. Any Party may withdraw from this Agreement if the Commission fails to approve, or modifies, deletes from or adds to the disposition of the matters stipulated herein. The Parties agree, however, to negotiate in good faith with regard to any Commission-ordered changes in order to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.
11. **Successor and Assigns.** The rights conferred and obligations imposed on any Party by this Agreement shall inure to the benefit of or be binding on that Party's successors in interest or assignees as if such successor or assignee were itself a party hereto.
12. **Authority to Execute Agreement.** The undersigned acknowledge and covenant that they have been duly authorized to execute this Agreement on behalf of their respective principals and that each execution is made within the course and scope of their respective agency or employment.
13. **Counterparts.** This Agreement may be executed in counterparts with the same effect as if all Parties had signed one and the same document. All such counterparts shall be deemed to be original and shall together constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereby execute this Settlement Agreement on the date first set forth opposite their signature.

DATED: 6-3-16

CONSUMER PROTECTION AND ENFORCEMENT
DIVISION, CPUC

By: 

JEANETTE LO

Branch Chief, Utility Enforcement

- 8. **Final Agreement/Intent of Parties.** This Agreement embodies the entire understanding of the Parties with respect to the matters described herein and supersedes any and all prior oral or written agreements, principles, negotiations, statements or understandings among the Parties. The Agreement may be amended only by a written agreement signed by all the Parties. The Parties have bargained in good faith to achieve this Agreement. Each of the Parties has contributed to the preparation of this Agreement. Accordingly, the Parties agree that no provision of the Agreement shall be construed as against any party because that party or its counsel drafted the provision.
- 9. **Governing Law.** This Agreement shall be governed by the laws of the State of California.
- 10. **Severability/Commission Modification of the Agreement.** No individual term of this Agreement is agreed to by any Party except in consideration of the Parties' assent to all other terms. Thus, the Agreement is indivisible and each part is interdependent on each and all other parts. Any Party may withdraw from this Agreement if the Commission fails to approve, or modifies, deletes from or adds to the disposition of the matters stipulated herein. The Parties agree, however, to negotiate in good faith with regard to any Commission-ordered changes in order to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.
- 11. **Successor and Assigns.** The rights conferred and obligations imposed on any Party by this Agreement shall inure to the benefit of or be binding on that Party's successors in interest or assignees as if such successor or assignee were itself a party hereto.
- 12. **Authority to Execute Agreement.** The undersigned acknowledge and covenant that they have been duly authorized to execute this Agreement on behalf of their respective principals and that each execution is made within the course and scope of their respective agency or employment.
- 13. **Counterparts.** This Agreement may be executed in counterparts with the same effect as if all Parties had signed one and the same document. All such counterparts shall be deemed to be original and shall together constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereby execute this Settlement Agreement on the date first set forth opposite their signature.

DATED: _____ SAFETY AND ENFORCEMENT DIVISION, CPUC

By: _____

JEANETTE LO
Chief, Utility Enforcement Branch

DATED: 6.1.2016

GLOBAL CALLING CORPORATION



By: _____

RENZO BIOGETTI
Owner, Global Calling Corporation

A handwritten signature in blue ink, appearing to read 'JEFF KAPNER', is written over a horizontal line. The signature is stylized and somewhat illegible.

JEFF KAPNER

EXHIBIT 1
(Stipulated Facts)

EXHIBIT 1 – STIPULATED FACTS

1. Global Calling Corporation is a corporation organized and existing under the laws of Nevada, with its principal place of business located in Rolling Hills Estate, California.
2. Since April 28, 2015, Global Calling has operated the website “Starfone.”
3. Through the website www.Starfone.net, customers can obtain long distance telecommunications services and prepaid phone services.
4. Renzo Biogeti is the owner of Global Calling.
5. Renzo Biogeti also owned the previous company that operated the Starfone website, RB Communications, Inc. (“RB Communications”).
6. RB Communications was previously authorized by the Commission to provide interexchange services, but the Commission revoked RB Communications’ authority on April 20, 2012 through Resolution T-17539.
7. On March 5, 2014, RB Communications filed with the Commission an Application for Registration as an interexchange carrier telephone corporation pursuant to Public Utilities Code 1013. On April 22, 2014, RB Communications filed an Amended Application for Registration as an Interexchange Carrier Telephone Corporation Pursuant to the Provisions of Public Utilities Code Section 1013.
8. In its 2014 Application, RB Communications did not disclose that the Federal Communications Commission (“FCC”) had issued an April 13, 2012 Notice of Apparent Liability for Forfeiture and Order, which found that RB Communications d/b/a Starfone apparently violated Section 214 of the Communications Act of 1934 and Sections 1.1154, 1.1157(b)(1), 63.18, 64.604(c)(5)(iii)(A), and 64.1195 of the FCC’s rules, by willfully and repeatedly failing to: (1) apply for and obtain authorization from the FCC to provide international telecommunications service; (2) register with the FCC; (3) contribute to the TRS Fund; and (4) pay regulatory fees to the FCC. The proposed forfeiture for the violations totaled \$408,668. To date, RB Communications has not paid this forfeiture amount.
9. On July 1, 2014, RB Communications Application was assigned to an Administrative Law Judge as Application (A.) 14-03-011.
10. On September 8, 2014, the assigned ALJ sent RB Communications an e-mail requiring it to file for a Certificate of Public Convenience and Necessity (“CPCN”) pursuant to section 1001. The Commission’s Communications Division (“CD”) determined that RB Communication’s Application did not meet the requirements for a Non-Dominant Interexchange Carrier (NDIEC) registration because the Commission previously revoked its authority in T-17359; RB Communication’s Application would need to be reviewed pursuant to the provisions of section 1001.

11. On May 20, 2015, the ALJ issued an e-mail ruling requiring RB Communications to provide audited financial information to show its fitness to operate, as well as provide proof of its surety bond, as required in Decision (D.) 13-05-035.
12. RB Communications did not respond to the ALJ's September 8, 2014 and May 20, 2015 requests.
13. The Commission dismissed RB Communications' Application without prejudice in D.15-08-008, issued August 13, 2015.
14. On September 1, 2015, CPED sent a Cease and Desist letter to RB Communications requiring it to cease all offerings of telecommunications service in California or apply for a CPCN.
15. On September 2, 2015, RB Communications' attorney responded and stated that RB Communications had ceased to do business in California and had no assets.
16. Upon further investigation, CPED found that the Starfone website was still operational. On September 8, 2015, CPED sent a data request to RB Communications requesting information about Starfone.
17. On September 21, 2015, RB Communications responded that it no longer offered products or services via the Starfone website and the assets were foreclosed under its secured loan with Bank of America.
18. Following RB Communications' foreclosure, Global Calling acquired RB Communications' assets, including the Starfone website.
19. On October 5, 2015, CPED sent a data request to Renzo Biogeti requesting information about Global Calling and the Starfone website.
20. On October 14, 2015, Global Calling responded to CPED's data request, stating that a percentage of Global Callings' calls were originating from California.
21. On November 9, 2015, CPED sent a Cease and Desist letter to Global Calling to cease all offerings of telecommunications service in California or apply for a CPCN.
22. Global Calling's attorney responded on November 9, 2015, stating that Global Calling would apply for a CPCN.
23. On December 10, 2015 Global Calling filed Application 15-12-014.
24. On its 2015 Application, Global Calling acknowledges that it has been operating in California without Commission authority.