

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Communications Division  
Carrier Oversight & Programs Branch**

**RESOLUTION T-17570  
June 29, 2017**

**R E S O L U T I O N**

**Resolution T-17570. Conditionally approves the Wireless Identification Registration Application of Lycamobile USA, Inc., subject to the fine for operating without authority, and authorizes the Director of Communications Division to issue final approval letter and Wireless Identification Registration identification number.**

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**SUMMARY**

This resolution conditionally approves the Wireless Identification Registration application of Lycamobile USA, Inc., subject to a fine of \$10,000 for operating without authority and authorizes the Director of Communications Division to issue the final approval letter, including the issuance of a new Wireless Identification Registration number, upon payment of the fine.

**BACKGROUND**

On October 12, 1994, the California Public Utilities Commission (CPUC), by Decision 94-10-031, ordered all commercial mobile radio service (CMRS) providers initiating service after August 10, 1994, to file a Wireless Identification Registration (WIR) with the Director of the Communications Division (CD). The applicant for WIR was to provide information as follows:

1. The legal name of the business offering such service.
2. Any fictitious or other names under which such service will be offered.
3. The local business address for the utility, if any.
4. The home office business address if different than the local business address.
5. The name and address of the designated agent for service of process.

6. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
7. The identity of the directors and principal officers of the business.
8. Names of all affiliated companies and their relationship, indicating if the affiliate is a regulated public utility.
9. Telephone numbers to which service or other customer complaints should be directed.

The WIR process was modified by D.95-10-32, which clarified the process and procedure on transfer of ownership and siting requirements of facilities-based CMRS carriers. The Commission further modified the WIR process with the adoption of D.13-05-035, which required wireless carriers holding WIRs to post a performance bond of at least \$25,000 and pay an annual minimum of \$100 for the California Public Utilities Reimbursement Fund (User Fee). In addition, D.13-05-035 ordered wireless carriers seeking WIR to certify that the registrant, affiliate companies or principal officers have not been involved in bankruptcies, judgements, suspensions, revocations, or any other types of monetary forfeitures, among others.

## **DISCUSSION**

On July 18, 2012, the Commission approved a WIR license for Lycamobile USA, Inc. (Lycamobile). At the time of approval of its WIR, Lycamobile was required to comply with various requirements including the reporting and payment of surcharges and user fees. In 2013, the Commission, in Decision 13-05-025, required WIR to also post a \$25,000 performance bond for the full and prompt payment of any monetary sanction (i.e. fines, fees, surcharges, taxes, penalties, and restitution).

In mid-2013 through mid-2015, CD staff identified and contacted carriers that were deficient in reporting and remitting surcharge revenues, user fees and posting of the performance bond. Lycamobile was one of these carriers. CD staff sent corresponding notice letters via U.S. mail and e-mail to non-compliant carriers including Lycamobile on several occasions:

- User Fees
  - CD staff notifies on an annual basis, carriers of the CPUC User Fee requirement. In mid-2013, CD staff noticed that Lycamobile was deficient in its User Fees filings and notified Lycamobile accordingly of its deficiency.

- Surcharges
  - The first round of mailings to non-compliant carriers was sent out during July, 2013. CD staff continued to monitor these carriers, and did a follow-up during February 2014.
  - A second round of mailings to non-compliant carriers occurred during August, 2014, with a follow-up during September, 2014.
  - A final round of mailings to non-compliant carriers occurred during April, 2015, with a follow-up during June, 2015.
  - Lycamobile failed to report and remit surcharges between mid-2013 through mid-2015 despite multiple notice letters from CD staff.
  
- Performance Bond
  - CD staff noted that Lycamobile failed to post a performance bond, pursuant to D.13-05-035. Notices were mailed to Lycamobile concerning the performance bond requirement in October 2014, March 2015, and February 2016 and Lycamobile was advised of methods to correct the deficiency.

The Commission revoked the operating authority of Lycamobile on August 12, 2016, pursuant to Resolution T-17510 (May 12, 2016) for failure to report and remit surcharges and User Fees, and the failure to post a performance bond with the Commission. The reporting and payment of surcharges and user fees and the posting of a performance bond, among others, are conditions imposed on WIR holders.

Specifically, in accordance with Ordering Paragraph Nos. 1, 2, and 3 of Resolution T-17510, the Commission imposed the following on Lycamobile (as with the other carriers listed in Appendix A of the resolution):

- A \$1,000 fine for failing to comply with the California Public Utilities Commission's User Fee, public purpose program surcharges, and performance bond requirements.
- Fines shall be paid within 30 calendar days from the effective of the date of this Resolution, by a check or money order, payable to the California Public Utilities Commission
- If the fines are not paid within 30 calendar days from the effective date of the Resolution (i.e., May 12, 2016), the fine shall increase by an additional \$1,000 for every month thereafter, up to a maximum of \$3,000 fine. If the fines are not paid within 90 days from the effective date of this Resolution, the wireless telephone corporation's WIR will be revoked.

Lycamobile's license was automatically revoked on August 12, 2016 pursuant to Resolution T-17510. On August 26, 2016, Lycamobile filed a WIR application with CD to regain its operating authority. While it has updated its surcharge and user fee payments, Lycamobile has been operating without authority for almost 10 months, and thus, applied for operating authority.

Lycamobile paid a total of \$3,000 in fines to the Commission on August 30, 2016, more than 90 days after the deadline set in Resolution T-17510.

Lycamobile is current with its surcharge and user fee payments and has submitted a performance bond.

### **RECOMMENDATION**

Based on Lycamobile's compliance with surcharge and user fee requirements, CD recommends the approval of Lycamobile's WIR registration subject to the payment of a fine of \$10,000 for operating without authority from to August 2016 through June 2017, consistent with the fine imposed in Resolution T-17510. PU Code § 2107 allows the Commission to impose penalties on carriers that violate the Commission's rules as follows:

Any public utility that violates or fails to comply with any provision of the Constitution of this state or of this part, or that fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission, in a case in which a penalty has not been otherwise provided, is subject to a penalty of not less than five hundred dollars (\$500), nor more than fifty thousand dollars (\$50,000) for each offense.

### **SAFETY**

There is no safety implication as this resolution addresses Lycamobile's compliance with licensing requirements and application for a new WIR.

### **NOTICE AND PROTESTS**

In compliance with Public Utilities Code § 311 (g), the Commission on May 30, 2017 provided notice to all telephone carriers informing them that this draft Resolution is available at the Commission's website <http://www.cpuc.ca.gov/> and is available for public comment. Additionally, CD informed these parties of the availability of the conformed resolution at the same website. No comments were received.

Notice of Draft Resolution T-17570 was published in the Commission Daily Calendar on May 30, 2017.

## **FINDINGS**

1. The Commission, on July 18, 2012, granted Lycamobile USA, Inc. a Wireless Identification Registration with the utility number of U-4430-C.
2. In mid-2013, Communications Division (CD) staff noticed that Lycamobile USA, Inc. was deficient in its User Fees filings and notified Lycamobile USA, Inc. accordingly.
3. Between mid-2013 through mid-2015, CD staff, through notice letters and follow-up mailings, contacted carriers, one of which was identified as Lycamobile USA, Inc, concerning failure to report and remit surcharge revenues,. The first round of mailings to non-compliant carriers was sent out during July, 2013, with a follow-up during February 2014. A second round of mailings to non-compliant carriers occurred during August, 2014, with a follow-up during September, 2014. A final round of mailings to non-compliant carriers occurred during April, 2015, with a follow-up during June, 2015. Lycamobile USA, Inc. remained non-compliant despite CD staff's notice letters.
4. CD staff sent Lycamobile USA, Inc. notice letters concerning its non-compliance with the performance bond requirement in October 2014, March 2015, and February 2016 and advised of methods to correct the deficiency.
5. On May 12, 2016, the Commission adopted Resolution T-17510 imposing a \$1,000 for failure to report and remit surcharges and User Fees, and the failure to post a performance bond with the Commission. Per Ordering Paragraph Nos 1, 2, and 3 of the Resolution, if the fines were not paid within 30 days from the effective date of the Resolution, the fine shall be increased by \$1,000 each month thereafter. If the fines are not paid after 90 days, the WIR would be revoked.
6. On August 12, 2016, Lycamobile's license was revoked, 90 days after the adoption of Resolution T-17510.
7. Lycamobile USA, Inc. paid a total of \$3,000 in fines to the Commission on August 30, 2016, more than 90 days after the deadline set in Resolution T-17510.
8. On August 26, 2016, Lycamobile USA, Inc. filed an application with CD for a WIR to regain its operating authority.
9. Lycamobile USA, Inc. is current with its surcharge and user fee payments and has submitted a performance bond.
10. Lycamobile USA, Inc. has been operating without authority since its operating authority was revoked in August 2016.
11. Public Utilities Code §2107 allows the assessment of fines for compliance failures.

**THEREFORE, IT IS ORDERED that:**

1. Lycamobile USA, Inc.'s application for Wireless Identification Registration is conditionally approved subject to a payment of a \$10,000 fine for operating without authority within 30 days of the adoption this resolution pursuant to Public Utilities Code § 2107. Payment shall be made by 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. The wireless telephone corporation's representative shall write on the face of the check or money order "For deposit to the State of California General Fund, per Resolution T-17570; and
2. Upon fulfillment of the conditions specified in Ordering Paragraph 1, the Communications Division Director is authorized to send a letter to Lycamobile USA, Inc. granting final approval of its application to operate as a resale commercial mobile radio service carrier. The WIR approval letter includes requirements attendant to the issuance of a WIR and a new Utility ID number assigned to Lycamobile USA, Inc.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 29, 2017. The following Commissioners approved it:

/s/ Timothy J. Sullivan

TIMOTHY J. SULLIVAN  
Executive Director

MICHAEL PICKER  
President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners