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**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

March 13, 2020

Agenda ID #18255

**TO PARTIES OF RECORD IN DRAFT RESOLUTION ALJ-378:**

This is the draft Resolution of Administrative Law Judge (ALJ) Zhen Zhang regarding Resolving K.19-11-014, Appeal of G2 SOLUTIONS, LLC (U6811C) from Citation Number CD-2019-10-30-016 issued November 7, 2019 by the Communications Division of the California Public Utilities Commission. It will not appear on the Commission's agenda sooner than 30 days from the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the draft resolution, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own order. Only when the Commission acts does the resolution become binding on the parties.

You may serve comments on the draft resolution. Opening comments shall be served no later than April 1, 2020, and reply comments shall be served no later than April 7, 2020. Service is required on all persons on the attached service lists. Comments shall be served consistent with the requirements of Pub. Util. Code § 311(g) and Rule 14.5 of the Rules of Practice and Procedure.

Finally, comments must be served electronically on ALJ Zhang at [zhen.zhang@cpuc.ca.gov](mailto:zhen.zhang@cpuc.ca.gov).

          /s/ ANNE E. SIMON          

Anne E. Simon  
Chief Administrative Law Judge

AES:gp2

Attachment

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

Resolution ALJ-378  
Administrative Law Judge Division  
[Date]

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

RESOLUTION ALJ-378 Resolving K.19-11-014, Appeal of G2 SOLUTIONS, LLC (U6811C) from Citation Number CD-2019-10-30-016 issued November 7, 2019 by the Communications Division of the California Public Utilities Commission.

**SUMMARY**

This Resolution resolves K.19-11-014, the Appeal of G2 Solutions, LLC (U6811C) from citation number CD 2019-10-30-016 dated November 1, 2019 by the Communications Division of the California Public Utilities Commission.<sup>1</sup> Authorized by Public Utilities Code Sections 2101, 2107 and 2108, and Commission Resolution T-17601, citation number CD-2019-10-30-016 imposes a \$2,000 fine on G2 Solutions, LLC. By failing to file in a timely manner an Operational and Financial Information Report and an Affiliate Transaction Report for the calendar year 2018, G2 Solutions, LLC violated Public Utilities Code Section 702, General Order 104-A, and Commission Decision 93-02-019. The citation is sustained.

This proceeding should be closed.

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<sup>1</sup> Compliance Filing of the Communications Division in Accordance with Resolution T-17601, December 5, 2019.

## **BACKGROUND**

The California Public Utilities Commission's (Commission) Communications Division (CD) oversees compliance of telecommunications carriers and has the authority to impose fines.<sup>2</sup> CD issued citation number CD-2019-10-30-016, dated November 1, 2019, and imposed a \$2,000 fine on G2 Solutions, LLC for failing to file in a timely manner an Operational and Financial Information Report and an Affiliate Transaction Report. By failing to file the reports, G2 Solutions, LLC violated Public Utilities Code (Pub. Util. Code) Section 702, Commission General Order (GO) 104-A, and Decision (D.) 93-02-019.

On November 20, 2019, G2 Solutions, LLC filed the appeal of citation number CD-2019-10-30-016. The appeal states the failure to file the reports was due to a variety of factors, including the failure of the main computer desktop in 2018 that lead to a permanent loss of records. In addition, G2 Solutions, LLC deals with service expansions that require a significant time investment to learn, sell, and implement new services in order to retain the customer base.

On December 5, 2019, CD filed the compliance filing along with *Motion of the Communications Division for Leave to File Late the Compliance Filing for Citation CD-2019-10-30-016*. On January 27, 2020 the assigned Administrative Law Judge granted the motion.

On February 25, 2020, the Administrative Law Judge held an appeal hearing, in San Francisco California. G2 Solutions, LLC and CD appeared as parties at the hearing. In addition to other facts, the parties stipulated<sup>3</sup> as to the following:

- The Commission decision granting G2 Solutions, LLC the Certificate of Public Convenience and Necessity included annual reporting requirements in accordance with GO 104-A and Decision 93-02-019.<sup>4</sup>
- G2 Solutions, LLC did not file the 2018 Operational and Financial Information Report by the March 31, 2019 deadline.

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<sup>2</sup> Resolution T-17601, June 22, 2018, p. 1; P.U. Code §§ 2101, 2107, 2108.

<sup>3</sup> Parties Statement of Agreed-Upon Facts, Feb. 19, 2010, Attachment A.

<sup>4</sup> D.03-09-041.

- G2 Solutions, LLC did not file the 2018 Affiliate Transaction Report by the May 1, 2019 deadline.
- On May 9, 2019, CD notified telecommunications providers, including G2 Solutions, LLC, that annual reports were past due, and instructed the providers to submit the reports by May 31, 2019.
- On September 20, 2019, CD sent to G2 Solutions, LLC via e-mail and registered mail with the United States Postal Service a notice of non-compliance, and instructed G2 Solutions, LLC to submit report by October 18, 2019.
- CD notified G2 Solutions, LLC via email and registered mail with the United States Postal Service, dated November 1, 2019, citation number CD-2019-10-30-016 for non-compliance with 2018 reporting requirements.
- On November 7, 2019, G2 Solutions, LLC submitted the 2018 Operational and Financial Information Report and the Affiliate Transaction Report.
- On November 20, 2019, G2 Solutions, LLC tendered for filing the appeal of citation number CD-2019-10-30-016.

At the hearing, Jim Hyden, CD staff member, testified that CD sent G2 Solutions, LLC multiple notices regarding the reporting requirements and deadlines.

Thomas Goren, representing G2 Solutions, LLC, did not dispute Mr. Hyden's testimony. Mr. Goren stated that he takes full responsibility for failing to meet the reporting deadlines.

### **RESOLUTION OF THE APPEAL**

Pursuant to GO 104-A and D. 93-02-019, all public utilities, including wireless telecommunications carriers in California, such as G2 Solutions, LLC, are required to report to the California Public Utilities Commission an annual Operational and Financial Information Report and an annual Affiliate Transaction Report detailing all transactions it has with affiliate companies. The

failure of a company to file reports in a timely manner will result in a penalty of \$1,000 for each report. Each subsequent notice increases the penalty by \$200.<sup>5</sup>

G2 Solutions, LLC does not deny that it missed the March 31, 2019 deadline for the 2018 Operational and Financial Information Report and the May 1, 2019 deadline for the 2018 Affiliate Transaction Report. G2 Solutions, LLC did not submit the reports until November 7, 2019. G2 Solutions, LLC is responsible for meeting the statutory requirements associated with holding a Certificate of Public Convenience and Necessity to provide telecommunications service in California, despite challenging circumstances due to computer failures and staffing issues. The \$2,000 fine is consistent with the laws and regulations of the Commission.

### **SAFETY**

The Commission has broad authority to regulated public utilities, particularly regarding safety concerns. Although the failure to meet reporting deadlines by G2 Solutions, LLC did not damage any persons' property, it harmed the integrity of the regulatory process. The fine is a deterrent to future disregard of the Commission's regulatory process.

### **COMMENTS**

Cal. Pub. Util. Code §311(g)(1) requires that a draft resolution be served on all parties and be subject to a public review and comment period of 30 days or more, prior to a vote of the Commission on the resolution. Accordingly, the draft Resolution was timely mailed for comments. Comments were served on \_\_\_\_\_, and reply comments were served on \_\_\_\_\_ by \_\_\_\_\_.

### **ASSIGNMENT OF PROCEEDING**

Zhen Zhang is the assigned Administrative Law Judge for this citation appeal.

### **FINDINGS OF FACT**

1. Communications Division issued citation number CD-2019-10-30-016, dated November 1, 2019, and imposed a \$2,000 fine on G2 Solutions, LLC for failing to

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<sup>5</sup> Resolution T-17601, June 22, 2018.

file the Operational and Financial Information Report and the Affiliate Transaction Report on California operations for the calendar year 2018.

2. On February 20, 2019, Communications Division sent an email to wireless telecommunication carriers (including G2 Solutions, LLC) reminding the carriers of the reporting requirements.

3. On May 9, 2019, Communications Division notified G2 Solutions, LLC that the Operational and Financial Information Report and the Affiliate Transaction Report had not been submitted, and G2 Solutions, LLC must submit the reports by May 31, 2019.

4. G2 Solutions, LLC did not file the Operational and Financial Information Report and the Affiliate Transaction Report on May 31, 2019.

5. On September 20, 2019, Communications Division sent via email and registered mail with the United States Postal Service to G2 Solutions, LLC a notice of non-compliance and instructed G2 Solutions to submit the reports by October 18, 2019.

6. On November 4, 2019, Communications Division notified G2 Solutions, LLC of the citation and fine via email and registered United States Postal Service mail due to the failure to file the Operational and Financial Information Report and the Affiliate Transaction report for 2018.

7. On November 7, 2019, G2 Solutions, LLC submitted the Operational and Financial Information Report and the Affiliate Transaction Report for 2018.

8. No personal harm or property damage resulted from G2 Solutions, LLC's violations.

### **CONCLUSIONS OF LAW**

1. G2 Solutions, LLC failed to comply with Commission's regulations and statutory obligations as the holder of a Certificate of Public Convenience and Necessity to provide telecommunications service.

2. G2 Solutions, LLC failed to submit on time the Operational and Financial Information Report and the Affiliate Transaction report for 2018.

3. The \$2,000 fine is consistent with Public Utilities Code Sections 702, 2101, 2107, 2108, and Commission Resolution T-17601.

**IT IS THEREFORE ORDERED** that:

1. The citation number CD-2019-10-30-016 is affirmed.
2. The \$2,000 fine to G2 Solutions, LLC for failing to submit on time the Operational and Financial Information Report and the Affiliate Transaction report for the calendar year 2018 is affirmed.
3. G2 Solutions, LLC's appeal is denied.
4. G2 Solutions, LLC must pay a fine of \$2,000 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, San Francisco, California 94102, 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.
5. G2 Solutions, LLC must make full payment within 30 days of the effective date of this Resolution. G2 Solutions, LLC shall write on the face of the check or money order, "For deposit to the General Fund pursuant to Resolution ALJ-378."
6. This proceeding is closed.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on \_\_\_\_\_, the following Commissioners voting favorably thereon:

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ALICE STEBBINS  
Executive Director





**N O T I C E**

Persons should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event

\*\*\*\*\* SERVICE LIST \*\*\*\*\*  
Last Updated on 13-MAR-2020 by: KB3  
K1911014 LIST

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