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R2103002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Update Surcharge Mechanisms to
Ensure Equity and Transparency of
Fees, Taxes and Surcharges Assessed
on Customers of Telecommunications
Services in California.

Rulemaking 21-03-002

**ASSIGNED COMMISSIONER'S RULING ANNOUNCING AUDITS OF
TELECOMMUNICATIONS CARRIERS' PUBLIC PURPOSE PROGRAM
SURCHARGE REMITTANCES PURSUANT TO THE ACCESS LINE
SURCHARGE MECHANISM ADOPTED IN DECISION 22-10-021**

In Decision (D.) 22-10-021, the Commission adopted a new access line-based surcharge mechanism, effective April 1, 2023, to support California's Universal Service Public Purpose Programs (PPP). The new mechanism imposes a flat-rate surcharge on all active access lines, as defined, that a telephone corporation operates in California. The Commission did not prescribe a specific method for counting these types of lines for surcharge assessment purposes but stated that "any method must be consistent with the definitions we adopt today and will be subject to audit."¹

Nearly one year has passed since telephone corporations began implementing this new surcharge mechanism. To ensure that carriers are reporting and remitting the PPP surcharge in a reasonable manner and as

¹ D.22-10-021 at 53; see also *id.*, Ordering Paragraph (OP) 2: "All telephone corporations, including traditional wireline, wireless and Voice over Internet Protocol carriers or providers, shall report their access lines used to provide two-way communication, as defined in this decision. This reporting may be subject to Commission review and audit."

directed in D.22-10-021, this ruling directs the Commission's Utility Audit Branch to begin conducting audits pursuant to Pub. Util. Code section 314.5 and D.22-10-021.

Dated March 27, 2024, at San Francisco, California.

/s/HAZLYN FORTUNE

Hazlyn Fortune
Administrative Law Judge