



**FILED**

04/03/25

2:11 PM

R2208008

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

Order Instituting Rulemaking Proceeding to Consider Changes to Licensing Status and Obligations of Interconnected Voice over Internet Protocol Carriers.

Rulemaking 22-08-008

**ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND RULING**

The Scoping Memo and Ruling issued on April 28, 2023, set forth the category, issues to be addressed, need for hearings, and schedule for this proceeding. This Amended Scoping Memo and Ruling (Amended Scoping Memo) supersedes and amends the issues and schedule for the proceeding. Otherwise, this Amended Scoping Memo reaffirms the need for hearing and category for this proceeding pursuant to Public Utilities (Pub. Util.) Code Section<sup>1</sup> 1701.1 and Article 7 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules). Comments on the scoped issues and questions in this Amended Scoping Memo are due April 28, 2025.

**1. Background**

On August 30, 2022, the Commission issued its *Order Instituting Rulemaking to Consider Changes to Licensing Status and Obligations of Interconnected Voice over Internet Protocol (VoIP) Carriers* opening Rulemaking (R.) 22-08-008 to consider changes to address the licensing status of interconnected VoIP service

<sup>1</sup> All subsequent section references are to the Public Utilities Code, unless otherwise stated.

providers that were previously registered informally<sup>2</sup> with the Commission. On November 7, 2024, the Commission issued Decision (D.) 24-11-003 establishing a regulatory framework for telephone corporations providing VoIP Service.

D.24-11-003 also launched a second phase of this proceeding to address application of the new regulatory classifications and other technical issues.<sup>3</sup>

D.24-11-003 extended the statutory deadline until August 1, 2026.

Pursuant to D.24-11-003, on December 27, 2024, the Commission migrated 450 interconnected VoIP service providers to the appropriate operating authority. Of these, 382 providers are Digital Voice Fixed (DVF) and 68 providers are Digital Voice Nomadic (DVN).<sup>4</sup> Interconnected VoIP service providers already possessing operating authority prior to the issuance of the decision that had also registered informally were given two options. The providers were permitted to either: (1) retain two separate utility identification (ID) numbers, one associated with their existing wireline operating authority and another associated with the new DVF utility type, or (2) discontinue their utility ID associated with the prior informal registration.<sup>5</sup> Of these, four providers opted to discontinue their second utility ID.

D.24-11-003 also ordered that interconnected VoIP service providers granted operating authority with the utility type Interexchange Reseller (IER)

---

<sup>2</sup> *VoIP Letter Notice for AB 841* from Paul Clanon, Commission Executive Director, directing Interconnected VoIP service providers to register with the Commission, November 9, 2011. Interconnected VoIP service providers were issued utility type Digital Voice Service when registered informally.

<sup>3</sup> D.24-11-003 at Finding of Fact 79.

<sup>4</sup> *Id.* at Ordering Paragraphs 27-31.

<sup>5</sup> Discontinuance of a utility ID is requested through a Tier 2 Advice Letter.

migrate to the new DVF or DVN utility type.<sup>6</sup> Of the additional 35 interconnected VoIP service providers holding operating authority as IER utility types, 28 providers migrated to DVF and seven providers migrated to DVN.

On January 22, 2025, the Administrative Law Judge (ALJ) issued a ruling setting a Phase 2 prehearing conference, including a preliminary scope and schedule for the proceeding and inviting prehearing conference statements. On February 10, 2025, five parties filed prehearing conference statements. On February 14, 2025, the ALJ held a prehearing conference at which further discussion of the proposed scope and schedule occurred.

## **2. Issues**

This second phase of the proceeding addresses technical and implementation issues that have arisen in the application of the new regulatory framework for interconnected VoIP service providers generally, or nomadic-only interconnected VoIP service providers specifically, including:

1. Regarding the definition of facilities for interconnected VoIP service providers, what facilities are considered part of the telecommunications network and are utilized in the provision of interconnected VoIP service, therefore requiring a limited or full facilities-based Certificate of Public Convenience and Necessity (CPCN)? Additionally,
  - a. What type of facilities are utilized by interconnected VoIP service providers for interconnection with other telephone service providers?
  - b. What types of facilities owned or operated by interconnected VoIP service providers require California Environmental Quality Act review?

---

<sup>6</sup> During the pendency of Phase 1 of this R.22-08-008, the Commission granted interconnected VoIP applicants operating authority as the utility type IER.

- c. When does the interconnected VoIP service provider's voice traffic rely upon telecommunications infrastructure?
  - d. What facilities are involved when interconnected VoIP service providers on-ramp and off-ramp voice traffic to the Public Switched Telephone Network?
  - e. What facilities are involved when nomadic-only interconnected VoIP service providers on-ramp and off-ramp voice traffic to the Public Switched Telephone Network?
  - f. If at all, how does the "cloud-based architecture and dynamic, flexible infrastructure," which party comments described as being used in the provision of nomadic-only interconnected VoIP service, rely upon telecommunications infrastructure?
2. Some interconnected VoIP service providers held wireline operating authority prior to the issuance of D.24-11-003 and did not register informally. Since D.24-11-003 primarily addressed the status of providers with informal registrations, providers without informal registrations were not offered the option to add the utility type DVF to their existing operating authority.
  - a. Should interconnected VoIP service providers in possession of wireline operating authority be required to, or be given the option to, add to their operating authority the DVF utility type, and if yes, why?
  - b. What is the appropriate process for and information to solicit from interconnected VoIP service providers adding DVF to their operating authority?
3. Clarification to requirements for facilities-based interconnected VoIP service providers to operate in Small Local Exchange Carrier (LEC) service territories.
4. Consideration of additional changes to the Section 1013 registration process to streamline review.

5. Corrections to qualifying financial documentation required of applicants for operating authority (Appendix F of D.24-11-003).

**3. Clarifications to D.24-11-003 Regarding Operating in Small LEC Service Territories**

Ordering Paragraph 55 of D.24-11-003 requires all facilities-based interconnected VoIP service providers operating in the service territories of the Small LECs to comply with heightened market entry requirements that have been in effect since late 2020.<sup>7</sup> The Small LECs request the Commission take prompt steps to ensure compliance and enforcement of Ordering Paragraph 55.

Ordering Paragraph 55 is prospective and applies to future applications of facilities-based interconnected VoIP service providers. Thus, individual applications are the proper forum in which to address compliance with heightened market entry requirements in Small LEC service territories.

With regard to interconnected VoIP service providers informally registered prior to the issuance of D.24-11-003, D.24-11-003 migrated these providers to operating authority as non-facilities-based DVF or DVN utility types. D.24-11-003 did not extend facilities-based operating authority to interconnected VoIP service providers previously registered with the Commission and established that facilities-based operating authority requires a CPCN application.<sup>8</sup>

In light of these clarifications, parties may comment on whether additional action is required.

---

<sup>7</sup> The heightened market entry requirements for operating authority in Small LEC service territories are found in D.20-08-011 in Appendices A and B.

<sup>8</sup> D.24-11-003 at Conclusion of Law 18 and Ordering Paragraph 2.

**4. Workshop and Workshop Report**

A workshop is scheduled on May 28, 2025 to further discuss the first scoped item: definitions of facilities of interconnected VoIP service providers. Parties shall include in their comments on the scoping memo whether they would like to make a presentation at the workshop, and provide a brief overview of the presentation. Parties shall also indicate their willingness to prepare a draft workshop report.

**5. Need for Evidentiary Hearing**

Parties generally agreed that evidentiary hearings are unlikely to be necessary. Thus, no hearings are included on the schedule in this scoping memo. In the event it appears necessary, parties may file a motion requesting evidentiary hearings be scheduled and identifying the material factual issues disputed.

**6. Schedule**

The following schedule is adopted here and may be modified by the ALJ as required to promote the efficient and fair resolution of the application:

EVENT	DATE
Comments on Amended Scoping Memo	April 28, 2025
Workshop on Definitions of Facilities of Interconnected VoIP Service Providers	May 28, 2025
Informal Circulation and Development of Workshop Report for Review by Workshop Participants	June-August 2025
Workshop Report (including identification of requests for corrections by workshop participants) and Ruling Soliciting Comments on Workshop Report	September/October 2025

EVENT	DATE
Comments and, if necessary, Motion for Evidentiary Hearings	Q4 2025
Reply comments, case submitted	January 2026
Proposed decision	<i>[no later than 90 days after submission]</i>

Revisions to this schedule may be adopted in a future ruling issued by the assigned Commissioner or ALJ. A Commission decision resolving the issues in Phase 2 of this proceeding will stand submitted upon the filing of final comments required in future rulings, unless the ALJ requires further evidence or argument.

**7. Category of Proceeding and Ex Parte Restrictions**

This ruling confirms the Commission's existing determination that this is a quasi-legislative proceeding. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Rules.

**8. Public Outreach**

Pursuant to Pub. Util. Code Section 1711(a), we hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

**9. Intervenor Compensation**

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must have filed and served a notice of intent to claim compensation within 30 days after the prehearing conference (by March 16, 2025).

## **10. Response to Public Comments**

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

## **11. Public Advisor**

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission’s Public Advisor at 1-866-849-8390 or 1-866-836-7825 (TTY), or send an email to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

## **12. Filing, Service, and Service List**

The official service list has been created and is on the Commission’s website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission’s Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.<sup>9</sup>

When serving any document, each party must ensure that it is using the current official service list on the Commission’s website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail whenever possible, transmitted no later than 5:00 p.m. on

---

<sup>9</sup> The form to request additions and changes to the Service list may be found at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>.



the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

### **13. Receiving Electronic Service from the Commission**

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

**14. Assignment of Proceeding**

Commissioner John Reynolds is the assigned Commissioner and Camille Watts-Zagha is the assigned administrative law judge for the proceeding.

**IT IS RULED** that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearings are not needed at this time.
4. The category of the proceeding is quasi-legislative.
5. Comments on the Phase 2 scoped issues and questions are due April 28, 2025.

This order is effective today.

Dated April 3, 2025, at San Francisco, California.

/s/ JOHN REYNOLDS

John Reynolds  
Assigned Commissioner