

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



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Application of Race Telecommunications, LLC)
(U-7060-C) for a Full-Facilities Based)
Certificate of Public Convenience and) Application 26-05-012
Necessity pursuant to Public Utilities Code)
Section 1001.)

RACE TELECOMMUNICATIONS, LLC RESPONSE TO ALJ'S REQUEST

FOR ADDITIONAL INFORMATION AT PREHEARING CONFERENCE

(PUBLIC VERSION – REDACTED ATTACHMENTS 3, 4 AND 5)

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September 3, 2026

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

Application of Race Telecommunications, LLC	)	
(U-7060-C) for a Full-Facilities Based	)	
Certificate of Public Convenience and	)	Application 26-05-012
Necessity pursuant to Public Utilities Code	)	
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**RACE TELECOMMUNICATIONS, LLC RESPONSE TO ALJ’S REQUEST
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(PUBLIC VERSION – REDACTED ATTACHMENTS 3, 4 AND 5)

Pursuant to the instructions of the Assigned Administrative Law Judge (“ALJ”) at the Prehearing Conference (“PHC”) held in person on August 25, 2026,¹ Applicant Race Telecommunications, LLC (“Race” or “Applicant”) hereby provides additional information relating to the above-referenced Application. As background, the Applicant has filed the Application to expand its authority from its current limited facilities-based competitive local exchange carrier (“CLC”) status to full-facilities based authority as a CLC (“Application”).

I. Race is a Detariffed URF Carrier

The Applicant confirms that it operates on a detariffed basis, as a Competitive Local Exchange Carrier under the Uniform Regulatory Framework and Decision No. (“D.”) 24-11-003 (issued Nov. 12, 2024), the Interconnected VoIP Regulatory Framework. Race provides digital voice services in the category that the CPUC calls Digital Voice Fixed, in addition to broadband access Internet services (“BIAS”), as defined by the Federal Communications Commission. The Applicant does not plan to provide any wireline local exchange service that would require the filing of a tariff to provide local basic service.

II. Race Proposes to Use the Same Performance Bond

The ALJ inquired as to Race’s current performance bond used with its limited facilities-based CPCN. Race holds Telephone Corporation Surety Bond number 1001075224 issued by American Contractors Indemnity Company in the amount of \$25,000 and in the form required by

¹ Transcript, Prehearing Conference, August 25, 2026, at p. 16.

the Commission. This bond contains no limitation to “limited facilities-based services.” Race files its performance bond annually. See Race Advice Letter 27-A, filed on April 2, 2024 with the current bond, and Race Advice Letter 35, filed on March 9, 2026 with the latest continuation certificate of that original bond. **Attachment 1** contains the bond and the latest Continuation Certificate.

At the PHC, the ALJ suggested that the current bond remain in place for the new activities under the full facilities-based CPCN as well as the existing activities under the limited facilities-based activities.² The Applicant agrees with this proposed approach. The CPUC’s current guidance expressly states that “[a]ll telephone corporations are only required to maintain one performance bond per Utility ID Number” with a minimum amount of \$25,000.³ Race will continue to operate under its Utility Code U-7060-C. Decision No. 13-05-035 imposes the bond requirement on the “telephone corporation holding a CPCN,” and not separately on each category of CPCN authority. It requires a minimum \$25,000 continuous bond, an authorized California surety, and the CPUC as an obligee.⁴ Race’s current bond qualifies under all those requirements.

A directly analogous case is in D.21-10-026 in which the Karuk Tribe already held limited facilities-based authority under Utility Code U-7235-C and sought full facilities-based authority from the Commission. The Commission stated the Karuk already had a performance bond renewed annually, retained the same U-Code, expanded the existing CPCN, and ordered only that the Karuk not allow the performance bond to lapse.⁵ Race recommends a similar approach here, and suggests the proposed decision could state,

“Race confirms that its existing \$25,000 performance bond may remain in effect upon expansion of Race’s existing CPCN from limited- to full-facilities-based authority. The Commission requires only one performance bond per Utility ID Number. Race will remain the same legal entity and will continue operating under Utility ID U-7060-C. The existing bond identifies Race as principal and the Commission as obligee and contains no limitation to limited-facilities-based authority. This treatment is consistent with D.13-05-035 and D.21-10-026. Race therefore proposes to maintain its bond without interruption

² Transcript, at p. 4, lines 2-5.

³ <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements/performance-bond-requirements>

⁴ D.13-05-035, Ordering Paragraphs 3, 8-10 at p. 55-58 (issued June 3, 2013); D. 24-11-003 (App. F, Acceptable Financial Instruments).

⁵ D. 21-10-026, pp. 2, 15, and OP 5; Attachment B, at p. B-3.

and, following approval of the expanded authority, submit the bond through the applicable Tier 1 advice-letter process on the usual annual deadline established by the Communications Division.”

III. CEQA Process

In Race’s initial CPCN Decision No. 08-01-019 for limited facilities-based authority, the Commission directed as to CEQA review the following:⁶

6. California Environmental Quality Act (CEQA)

CEQA requires the Commission as the designated lead agency to assess the potential environmental impact of a project in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Applicant has no plan for constructing facilities at this time. Applicant will provide its service through the use of existing facilities and network elements of other carriers and/or its own facilities installed in existing buildings and structures. Therefore, it can be seen with certainty that there is no possibility that granting this application will have an adverse effect upon the environment. Applicant must file for additional authority, and submit to any required CEQA review, before it can construct facilities.

In seeking its full facilities-based CPCN authority, Race seeks no project-specific CEQA approval in this proceeding, and will not undertake full facilities-based construction without a Notice to Proceed from the Energy Division or Commission authorization after the requisite environmental review, with the 21-day exemption process available for qualifying projects.

IV. Update on Maniquiz v. Race Case

At the PHC, Race’s counsel provided an update on the *Maniquiz v. Race* case. After this case was dismissed from federal court for lack of jurisdiction, it was refiled in a state Superior Court on July 21, 2026. As requested by the ALJ, the state complaint is attached as **Attachment 2**. Here is a summary of the state case provided by Race’s litigation counsel.

The attached state court complaint, *Maniquiz v. Race Telecommunications, LLC*, Case No. CIVSB2621521, was filed on July 21, 2026 in the Superior Court of California, County of San Bernardino. Plaintiff Jeremiah Maniquiz alleges that after he canceled his internet service on October 15, 2024, Race Telecommunications made two unauthorized

⁶ Race CPCN Decision, D.08-01-019 (issued Jan. 11, 2008), Section 6 at p. 3.

electronic debits of \$748.25 each from his checking account on November 16 and 17, 2024, despite confirming cancellation and equipment return, overdrawing his account and disrupting his finances. The complaint further alleges that Race issued an allegedly fraudulent "Refund Receipt" falsely representing the charge had been reversed while actually retaining the funds, and that its automated billing system allowed post-cancellation charges and duplicate invoicing as part of a uniform practice affecting numerous consumers. Unlike the federal action, the state court complaint asserts three causes of action, (1) violations of California's Unfair Competition Law (Bus. & Prof. Code § 17200), (2) violations of the Consumer Legal Remedies Act (Civ. Code § 1750 et seq.), and (3) common-law conversion. It does not include an independent EFTA claim or standalone ARL count, though ARL violations are incorporated as predicate conduct under the UCL's unlawful prong.

The proposed class generally covers California consumers enrolled in Race's automatically renewing internet service without compliant disclosures, consent, or acknowledgments. A subclass covers consumers allegedly told that billing would cease or refunds had been processed but who were subsequently charged or not refunded. The complaint seeks class certification, restitution, damages, punitive damages, public injunctive relief, attorneys' fees and costs, and a jury trial. It presently seeks individual CLRA damages, reserving class wide CLRA damages pending completion of the statutory notice-and-cure process. All factual assertions remain allegations that Race may contest.

Race's litigation counsel states that the answer from Race is due September 22, 2026 and so Race will submit it shortly after that date, as requested by the ALJ at the PHC. Race notes that these are unadjudicated allegations, and that there has been no finding, judgment, or admission as this matter. Race will supplement the record on any material development.

V. Submission of Audit Letters from Energy Safety and Reliability Branch

As voluntarily disclosed at the PHC,⁷ there are two audit letters received by Race from the CPUC's Energy Safety and Reliability Branch ("ESRB"), which are part of a series of routine audits of Race's facilities. The first audit letter (Case CA2025-1421) dated December 5, 2025 for the Kern County Area, (**Attachment 3**), and the public version of Race Response sent on January 2, 2026 is attached (**Attachment 4**).⁸ The second ESRB audit letter (Case CA2026

⁷ Transcript, at pp. 13-15.

⁸ Race sent the ESRB staff the confidential version with no redactions.

1459) for Race Communications Northern Sacramento area dated August 19, 2026 (**Attachment 5**), and it has not yet been responded to by Race. It is being actively reviewed by Race now and necessary corrections and new processes being implemented. Race will provide its response once submitted to ESRB.

Race redacted pole structure ID number and location information only from Attachments 3-5 because Race holds the location of its facilities as proprietary and confidential information to guard against cyber and physical attacks on its network facilities. A Motion to File Under Seal for the confidential version of these Attachments 3-5 is being filed concurrently in compliance with GO 66-D and Rule 11.4. Unredacted copies will be made available to the Assigned ALJ and Commission staff.

VI. Submission of a Public Map of Proposed Construction Areas

Responsive to the ALJ's request at the PHC for a map that gives general information on the areas of proposed construction that can be put in the public record,⁹ please find **Attachment 6**, a map depicting the general areas of the proposed construction.

Respectfully submitted,

/c/ Carlos Alcantar

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⁹ Transcript, at p. 9.

LIST OF ATTACHMENTS

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|---------------------|---|
| Attachment 1 | Race Performance Bond 1001075224 (filed in 2024) with Current Continuation Certificate filed in 2026 (reflecting current legal entity, Race Telecommunications, LLC) |
| Attachment 2 | Copy of Maniquiz vs. Race Telecommunications, LLC, Case No. CIVSB2621521, Superior Court of California, County of San Bernardino Complaint. |
| Attachment 3 | ESRB Audit Letter Kern County, Dec. 5, 2025 –
CONFIDENTIAL |
| Attachment 4 | Race Response to Kern County Audit Letter, Jan. 2, 2026
– CONFIDENTIAL |
| Attachment 5 | ESRB Audit Letter North Sacramento Area - CONFIDENTIAL |
| Attachment 6 | Public Map of Proposed Construction Areas |