

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight and Programs Branch**

**RESOLUTION T-17450
September 11, 2014**

R E S O L U T I O N

**Resolution T-17450. Reinstatement of Operating Authority of
Nationwide Long Distance Service, Inc. (U-6999-C)**

Summary

This Resolution conditionally reinstates the Operating Authority held by Nationwide Long Distance Service, Inc. (U-6999-C).

Background

On April 19, 2012, the Commission adopted Resolution T-17359. The resolution revoked operating authorities of 106 telephone corporations in default of CPUC surcharge and user fee reporting and payment requirements pursuant to PU Code Section 401-435, as well as the performance bond filing requirement for Non-dominant Interexchange Carriers (NDIECs) pursuant to Decisions 10-09-017. In accordance with existing Commission processes, on March 20, 2012, the CPUC's Communications Division (CD) e-mailed a Notice of Availability of the draft resolution to all telecommunications corporations, informing them of the availability of the draft resolution for public comment. Notice of carrier names included in this Resolution also appeared on the CPUC's Daily Calendar for 30 days.

Nationwide Long Distance Services, Inc. (Nationwide) was one of the carriers whose license was revoked due to non-compliance with the performance bond requirement. Notices of non-compliance were sent to Nationwide during the period prior to license revocation. However, Nationwide did not reply and its license was revoked by Resolution T-17359.

Discussion

Following the Commission's revocation of Nationwide's license in April 2012, the company, reportedly unaware that its license had been revoked, continued to operate and remit surcharges and fees to the Commission. . This situation continued until CD terminated the company's access to Telecommunications and User Fees Filing System (TUFFS) in the fall of 2013. The Commission TUFFS system collects surcharges for the Commission's universal service programs.

After its TUFFS access was terminated, Nationwide contacted CD for reinstatement of its license and to rectify the compliance failure that led to the Commission's revocation action. Nationwide communicated its willingness to submit the required performance bond as well as to comply with other requirements (e.g. submission of user fees and surcharges).

During the discussion, Nationwide and CD reviewed the circumstances surrounding the company's reported lack of awareness of the performance bond requirements and the Commission's subsequent revocation of the company's operating authority. In the course of this review, CD determined that mailed notices of non-compliance may not have reached Nationwide because the company moved its listed address in the state of Georgia to an address in the state of Michigan. CD also learned that Nationwide had sent a Regulatory/Official Contact Information Update Request in January 2012 to the attention of a retired CPUC employee in another division. That change, however, was not entered into the CPUC's data base used for mailed correspondence. Hence, the mailed notices for the performance bond may not have been delivered to the correct address.

CD e-mailed the Notice of Availability for Draft Resolution T-17359, which revoked Nationwide's license, to Nationwide in March 2012, which could have afforded Nationwide sufficient time to review and act upon the Notice of Availability (as the service list includes the email address of the Nationwide regulatory contact as reflected in the January 2012 request form). Nonetheless, we are mindful of the communication glitch discussed above that may have caused Nationwide to not fully comprehend the severity of the Notice of Availability. In addition, CD also observes that Nationwide did not follow the proper protocol for notifying the Commission of an address change. However, CD observes that Nationwide did make an effort to contact the Commission after its access to TUFFs was terminated. CD is currently reviewing the instructions for reporting address and regulatory changes on the website in order to clarify the process for notifying CD.

Additionally, as part of its follow up, CD also examined complaint history against Nationwide to determine carrier performance and identify any major customer concerns. In the period between January 1, 2011 and the present, the Commission received minimal complaints against Nationwide, thereby rendering Nationwide's performance to date satisfactory.

Given that 1) a communication glitch occurred that affected Nationwide's awareness of the performance bond compliance failure; 2) Nationwide has been in good standing in all other compliance matters (including paying user fees and surcharges); and 3) Nationwide assured the CPUC it will submit an updated bond and has already taken steps to obtain this bond, CD recommends that the Commission reinstate Nationwide's license subject to the following conditions:

- a) Within 5 business days of the adoption of this Resolution, Nationwide should submit a performance bond in compliance with the requirements of Decision 11-09-026, and
- b) Within 10 business days of the adoption of this Resolution, Nationwide must report and remit surcharges covering the period from when TUFFS access was terminated to the date TUFFS access was reinstated.

We also remind Nationwide of its obligation to follow all Commission rules and requirements related to its operating authority, and to notify the Commission of any regulatory changes that occur. Further, Nationwide should keep current with regulatory developments impacting their authority regularly including accessing the Commission/Communications Division/Service Provider website, not ignoring correspondence from the Commission, and responding to letters and memoranda from the Commission as required.

Safety Impact

Licensing Nationwide will put this carrier under the jurisdiction of the CPUC, thus better ensuring the carrier follows all applicable CPUC requirements, including those rules associated with safety.

Comments

In compliance with PU Code § 311 (g), a Notice of Availability was e-mailed on August 12, 2014 to all telecommunications carriers informing these parties that the draft of this Resolution is available at the Commission's website <http://www.cpuc.ca.gov/> and is

available for public comments. In addition, CD informed these parties of the subsequent availability of the conformed resolution, when adopted by the Commission, at the Commission's website as indicated above.

The Communications Division did not receive any comments on the draft resolution.

Findings

1. Resolution T-17359 revoked the operating authorities of carriers for non-compliance with surcharge and user fee reporting and payment requirements pursuant to PU Code Section 401-435, as well as the performance bond filing requirement for non-dominant inter-exchange carriers pursuant to Decision 10-09-017.
2. Nationwide Long Distance Services, Inc.'s operating authority was revoked in Resolution T-17359 due to non-compliance with the performance bond filing requirement. Notices of non-compliance were sent to Nationwide during the period prior to license revocation; however Nationwide did not reply and its license was revoked by Resolution T-17359.
3. Nationwide Long Distance Services, Inc. continued to remit surcharges until fall 2013 when its access to Telecommunications and User Fees Filing System (TUFFS) was terminated
4. After its access was cut off, Nationwide Long Distance Service, Inc. indicated it was unaware that its license had been revoked and expressed interest in having its license reinstated. It also communicated its willingness to submit the required performance bond and to comply with other requirements (e.g. submission of user fees and surcharges).
5. Mailed notices of non-compliance may not have reached Nationwide because the company moved its listed address in the state of Georgia to an address in the state of Michigan. .
6. Nationwide sent a Regulatory/Official Contact Information Update Request in January 2012 to the attention of a retired CPUC employee in another division. That change, however, was not entered into the CPUC's data base used for mailed correspondence. Hence, the mailed notices for the performance bond may have not gone to the correct address.
7. Although Nationwide did not follow the proper protocol for notifying the Commission of an address change, CD observes that Nationwide did make an effort to contact the Commission.
8. Nationwide Long Distance Service is in good standing in all other compliance matters

9. The operating authority of Nationwide Long Distance Service, Inc. should be reinstated subject to:
 - a. Submission of a performance bond in compliance with the requirements of Decision 11-09-026 within 5 business days of the adoption of this Resolution; and
 - b. Reporting and remitting surcharges covering the period of time when TUFFS access was terminated to the time that TUFFS access was reinstated within 10 business days of the adoption of this Resolution.
10. In compliance with PU Code § 311 (g), a Notice of Availability was e-mailed on August 12, 2014 to all telecommunications carriers informing these parties that the draft of this Resolution is available at the Commission's website <http://www.cpuc.ca.gov/> and is available for public comments. In addition, CD informed these parties of the subsequent availability of the conformed resolution, when adopted by the Commission, at the Commission's website as indicated above.
11. The Communications Division did not receive any comments on the draft resolution.

THEREFORE, IT IS ORDERED that:

1. Nationwide Long Distance Service, Inc.'s Operating Authority is reinstated and Utility Identification Number U-6999-C is reissued to the company subject to compliance with the following conditions:
 - a. Within 5 business days of the adoption of this Resolution, Nationwide must submit a performance bond in compliance with the requirements of Decision 11-09-026;; and
 - b. Within 10 business days of the adoption of this Resolution, Nationwide must report and remit surcharges covering the period from when Telecommunications and User Fees Filing System (TUFFS) access was terminated to the date TUFFS access was reinstated.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by Public Utilities Commission at its regular meeting on September 11, 2014.

PAUL CLANON
Executive Director