

State of California

Public Utilities Commission
San Francisco

M E M O R A N D U M

Date : July 7, 2020

**To : The Commission
(Meeting of July 16, 2020)**

**From : Helen M. Mickiewicz, Legal Division
Sindy Yun, Legal Division**

**Subject : Request for Ratification of the CPUC's Late-Filed Comments on
Application of TAG Mobile, LLC, TAG Mobile Bankruptcy Sale
Entity, and Vector Holdings Group, LLC's for Transfer of
Control/Transfer of Ownership Pursuant to 47 U.S.C. § 214 and 47
C.F.R. §§ 63.03; (FCC WC Docket No. 20-140)**

REQUEST:

Staff requests that the Commission ratify the off-agenda authorization provided by the Commission's Litigation Subcommittee (Commissioner Rechtschaffen and Commissioner Randolph) to submit late-filed comments on Application filed by TAG Mobile, LLC, TAG Mobile Bankruptcy Sale Entity, and Vector Holdings Group, LLC's for Transfer of Control pursuant to 47 U.S.C. § 214 and 47 C.F.R. §§ 63.03-04.

A copy of the CPUC's Comments and the accompanying Motion for Acceptance of Late-Filed Comments is attached.

BACKGROUND:

On May 28, 2020, the Federal Communications Commission (FCC) issued a public notice (DA 20-565) seeking comment on Application filed by TAG Mobile, LLC (TAG Mobile), TAG Mobile Bankruptcy Sale Entity (TAG Bankruptcy Entity), and Vector Holdings Group, LLC (Vector) for transfer of control pursuant to 47 U.S.C. § 214 and 47 C.F.R. §§ 63.03-04.

Because of the short comment cycle and competing work priorities, Staff was unable to submit the comments by the due date and therefore, requested off-agenda authorization from the Commission's Litigation Subcommittee to submit late-filed comments.

The FCC released the public notice on May 28, 2020 and requested comments by June 12, 2020. The CPUC submitted comments on June 24, 2020. Based on our previous experience, Staff anticipates that the FCC will accept the CPUC's late-filed comments.

DISCUSSION:

TAG Mobile, TAG Bankruptcy Entity and Vector filed a joint application with the FCC to transfer ownership of TAG Mobile to Vector pursuant to 47 U.S.C. § 214 and 47 C.F.R. §§ 63.03-04. TAG Mobile is a Lifeline provider in multiple states, including California. TAG Mobile is requesting authority from the FCC to transfer its regulatory assets to Vector. As of April, 2020, TAG Mobile had approximately 5700 Lifeline customers in California.

The purpose of the CPUC's comments was to inform the FCC about the relationship between Vector and Q LINK Wireless, Inc. (Q LINK). Both Vector and Q LINK are wholly owned by Quadrant Holdings Groups (Quadrant) and Quadrant is wholly owned by Mr. Issa Asad.

In the comments, the CPUC informed the FCC that Q LINK applied to the CPUC, on two separate occasions, to obtain an eligible telecommunications carriers (ETC) designation to offer Lifeline services in California. In August, 2012, Q LINK submitted its first request for an ETC designation. The Commission denied the request in 2014 in Resolution T-17463 for multiple reasons, including for its failure to respond to Staff's data requests adequately and to submit complete financial information.

In November 2018, Q LINK reapplied to the CPUC for an ETC. Following discussions with Commission staff, the company withdrew its second ETC request. In addition, Q LINK committed to the CPUC that it would not reapply for an ETC designation in California until February, 2022.

The CPUC informed the FCC that if the pending transfer application is approved, it would effectively allow Mr. Asad to operate in California, which would undermine the commitment that Q LINK made to the CPUC to not reapply for an ETC until 2022. We asked the FCC to closely examine the application and to consider this information in evaluating the transfer request.

CONCLUSION:

For the foregoing reasons, Staff requests that the Commission ratify the comments that the CPUC filed with the FCC in the above-captioned proceeding.

Assigned Staff: Helen M. Mickiewicz (415-703-1319) and Sindy Yun (415-703-1999).