

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

**Communications Division  
Carrier Oversight & Programs Branch**

**RESOLUTION T-17711  
November 19, 2020**

**R E S O L U T I O N**

**Resolution T-17711. This Resolution revokes the operating authority of eight (8) telephone corporations for failing to comply with Commission-mandated Annual Reporting requirements.**

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**SUMMARY**

This Resolution revokes the operating authority of eight (8) telephone corporations (carriers) for failure to comply with one or both California Public Utilities Commission (Commission or CPUC) annual reporting requirements for calendar year 2018 with respect to: a) annual Operational and Financial Information reports; and b) annual Affiliate Transaction reports. While the Communications Division (CD) issued reminder notices and citation notices to these carriers, they failed to respond and address the citation in a timely manner. This Resolution allows these carriers a final opportunity to address the citation issued (i.e., submission of the past due reports and payment of the penalty amount with ten percent (10%) late payment fee) within thirty (30) calendar days from the effective date of this Resolution. If any of these carriers do not address the citation issued, its operating authority<sup>1</sup> will be revoked 31 days after the effective date of this Resolution. Appendix A of this Resolution lists the eight (8) carriers subject to revocation operating authority.

**BACKGROUND**

The Commission has broad regulatory authority and grants operating authority to telephone corporations via a Certificate of Public Convenience and Necessity (CPCN), a Registration License, or a Wireless Identification Registration (WIR). The CPCN authority is obtained through a formal application process pursuant to Public Utilities (PU) Code Section 1001; the Registration License or the streamlined registration process pursuant to PU Code § 1013. Commercial Mobile Radio Service (CMRS) providers (also known as wireless carriers) are required to file a Wireless Identification Registration

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<sup>1</sup> The authority conferred by a CPCN and by a Registration License is identical, and in each instance the applicant receives a "utility" or "U" number, acknowledging the authority granted. What differentiates the two licenses is merely the process by which the applicant requests and the CPUC reviews and grants the authority: the CPCN process is a formal one, while the Registration License process is ministerial.

(WIR) pursuant to Decision (D.) 94-10-031.<sup>2</sup> In each of these instances, the applicant is authorized to operate in California as a “telephone corporation” pursuant to Public Utilities Code section 234.

Among other things, carriers are subject to compliance filings attendant to their operating authority including, but not limited to, annual reporting requirements for telecommunications carriers pursuant to General Order (GO) 104-A and D.93-02-019. These obligations are identified in the Decision<sup>3</sup> or WIR approval letter that granted the carriers’ operating authority. All carriers are obligated to file their Annual Reports and Affiliate Transaction Reports on a calendar year basis on March 31 and May 1, respectively, of the following year. The Commission may suspend or revoke operating authority of telephone corporations that fail to make required annual reports, per D.93-05-010.

On June 21, 2018, the Commission adopted Resolution T-17601, which authorized CD Staff to implement a citation program for enforcing telecommunications carrier compliance with the Commission’s Resolutions, Decisions, Orders, and the Public Utilities Code. Resolution T-17601 adopted the citation procedure, a list of violations, and associated penalty amounts.

## **DISCUSSION**

The CPUC notifies each carrier of its reporting obligations through the final Commission Decision granting a CPCN to operate as a telephone corporation in California, through the Executive Director Decision granting a Registration License, or through the CD Director approval letter granting a WIR License. Also, CD annually notifies all carriers of their reporting obligations by sending an email to each carrier’s primary regulatory contact person<sup>4</sup> and the same information is posted in the Commission CD website. Additionally, CD sends an email notice to a carrier who fails to meet the deadlines associated with the reporting requirements.

The Communications Division identified eight (8) carriers who failed to comply with the reporting requirements for calendar year 2018. These carriers include six (6)

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<sup>2</sup> Personal Communications Carrier (PCC) is a type of wireless carrier that provides services which include messaging and data transfer services such as paging.

<sup>3</sup> Registration Licenses are issued via an Executive Director decision.

<sup>4</sup> Carriers are obligated to provide the Commission’s Communications Division with the name(s), address(es), and telephone number(s) of its designated regulatory/official contact person(s). This information must be provided electronically, using the “Communications Utility Contact Update Form” found at <http://www.cpuc.ca.gov/communications>. This information must be updated if the name(s), address(es), and telephone number(s) change, or at least annually by June 1 of each calendar year.

wireline carriers who failed to comply with their annual reporting obligation to file both the Annual Operational and Financial Information reports due on March 31, 2019 and the Annual Affiliate Transaction reports due on May 1, 2019. Additionally, the two (2) wireless carriers failed to comply with their annual reporting obligation to file Annual Affiliate Transaction reports due on May 1, 2019. Appendix A provides a list of the carriers and associated citation number, report deficiency, and total penalty amount owed to the Commission.

The following timeline details the notice process CD undertook to communicate with the carriers regarding their calendar year 2018 annual reporting obligations:

1. On February 20, 2019, CD emailed and posted on the commission website notices that all Interexchange Carriers (Wholesale and Reseller) and all Competitive Local Carriers (Wholesale and Reseller) must submit an Operational and Financial Information report due on March 31, 2019, and must submit an Affiliate Transaction report due on May 1, 2019.<sup>5</sup>
2. On February 20, 2019, CD emailed and posted on the commission website notices that all Cellular Telephone Utilities (Wholesale and Reseller), all Personal Communications Carriers and all Radio Telephone Utilities must submit an Affiliate Transaction report due on May 1, 2019.<sup>6</sup>
3. On May 9, 2019, CD sent an e-mail to all carriers individually that had not yet met annual reporting requirements for calendar year 2018, reminding each that the carrier had not yet met its annual reporting requirement to file an annual Operational and Financial Information Report for calendar year 2018 due on March 31, 2019 and/or file an annual Affiliate Transaction Report for calendar year 2018 due on May 1, 2019.<sup>7</sup>
4. On September 20, 2019, CD sent an e-mail notice of noncompliance to all nonresponsive carriers which were warned of potential enforcement action, including potential financial penalties.

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<sup>5</sup> February 20, 2019 letter from Michael Amato (CD Deputy Director) to All Interexchange and Competitive Local Carriers (Wholesale and Reseller) is available at:  
<https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Communications/ServiceProviderInfo/CDLicensingCompliance/Annual%20Report%20IEC%20IER%20CLC%20CLR%20I.pdf>

<sup>6</sup> February 20, 2019 letter from Michael Amato (CD Deputy Director) to All Cellular Telephone utilities (Wholesale and Reseller), All Personal Communications Carriers, and All Radio Telephone Utilities is available at:  
<https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Communications/ServiceProviderInfo/CDLicensingCompliance/Annual%20Report%20PCC%20RTU%20CEC%20CER%20I.pdf>

<sup>7</sup> The e-mail was addressed to the Primary Regulatory Contact listed in the Commission's Utility Contact System (UCS).

5. On November 4, 2019, CD issued its first citation to each carrier that was noncompliant with annual reporting requirements for calendar year 2018. The citation package comprises the citation notice letter with information on the violation and the penalty amount of \$1000 per violation, instructions on how to pay the penalty, information on potential ten percent (10%) late payment fees, and instructions on how to submit an appeal of the citation. The citation package for each carrier was delivered via certified United States Postal Service (USPS) mail using the primary regulatory contact information. The same package was converted electronically to a PDF document and was sent via email to the primary regulatory contact.
6. On July 17, 2020, CD issued its second citation to each carrier that continued to be noncompliant with its annual reporting requirements for calendar year 2018. The citation package comprises the citation notice letter with information on the violation and an increased penalty amount of \$1200 per violation, instructions on how to pay the penalty, information on potential ten percent (10%) late payment fees, and instructions on how to submit an appeal of the citation. The citation package for each carrier was delivered via certified United States Postal Service (USPS) mail using the primary regulatory contact information. The same package was converted electronically to a PDF document and was sent via email to the primary regulatory contact.
7. This Resolution and associated Notice of Availability will constitute the final notice to carriers who have not complied with their annual reporting requirements for calendar year 2018.

The Communications Division finds it reasonable to sanction all carriers for their violations under the authority granted to the Commission pursuant to Public Utilities (PU) Code §§ 2111<sup>8</sup> and 2108. Through CD's efforts, the Commission made multiple attempts to remind the carriers of their annual reporting requirement obligations and they failed to address the citations and comply with their obligations.

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<sup>8</sup> Every corporation or person, other than a public utility and its officers, agents, or employees, which or who knowingly violates or fails to comply with, or procures, aids or abets any violation of any provision of the California Constitution relating to public utilities or of this part, or fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission, or who procures, aids, or abets any public utility in the violation or noncompliance, in a case in which a penalty has not otherwise been provided for the corporation or person, is subject to a penalty of not less than five hundred dollars (\$500), nor more than fifty thousand dollars (\$50,000) for each offense.

Through the issuance of this resolution, carriers are given a final opportunity to address the citation and avoid revocation of their operating authority by the Commission. Within thirty (30) calendar days of the effective date of this Resolution, carriers must pay the citation penalty with late payment fee; and file the outstanding annual reports for calendar year 2018: Operational and Financial Information Report, and annual Affiliate Transaction Report. These annual reports must be submitted electronically as a PDF searchable document to [CDcompliance@cpuc.ca.gov](mailto:CDcompliance@cpuc.ca.gov). No hard copy filing is necessary.

Penalties with late payment fee must be paid by a check or money order payable to the "*California Public Utilities Commission*" and mailed or delivered to the California Public Utilities Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. The carrier should write on the face of the check or money order "For deposit to the State of California General Fund, per Resolution T-17711."

### **SAFETY IMPACT**

This Resolution seeks to achieve carrier compliance by submitting required annual reports. This promotes transparency and reduces the risk of financial harm to California customers, thereby promoting public safety.

### **CONCLUSION**

The Communications Division undertook the necessary measures to properly notify carriers of the obligation to comply with the Commission's annual reporting requirements for telecommunications carriers and provided ample time and opportunity for these carriers to comply. Thus, we find it reasonable to apply sanctions against each carrier listed in Appendix A of this Resolution. The Commission will provide the carriers a final opportunity to achieve full compliance through this Resolution. Therefore, within thirty (30) calendar days of the effective date of this Resolution, carriers must pay the citation penalty with late payment fee; and file the outstanding annual reports for calendar year 2018: Operational and Financial Information Report, and/or annual Affiliate Transaction Report. Failure to comply will result in the revocation of the carrier's operating authority on the 31<sup>st</sup> day after the effective date of this Resolution.

After revocation of its operating authority, a wireline carrier seeking to continue operating is required to file for a new authority. Even if the carrier previously was authorized as a non-dominant interexchange carrier (NDIEC), it will be required to submit a formal CPCN application pursuant to PU Code § 1001, and in doing so, must

disclose the previous revocation via sworn affidavit.<sup>9</sup> Similarly, a wireless carrier seeking to resume operations must apply for a new WIR and disclose the previous revocation via sworn affidavit. The carriers are also obligated to pay any outstanding penalties, interest, and fees owed to the Commission before the CPUC will grant new operating authority in the State of California.

### **COMMENTS ON THE DRAFT RESOLUTION**

Public Utilities Code section 311(g)(1) requires that a draft resolution be served on all parties and be subject to a public review and comment period of 30 days or more, prior to a vote of the Commission on the resolution. A draft of today's resolution was distributed for comment to the utilities and other interested parties.

### **FINDINGS AND CONCLUSIONS**

1. The Commission has broad regulatory authority and grants operating authority to telephone corporations via the Certificate of Public Convenience and Necessity Application process (pursuant to PU Code § 1001), the Registration License process (pursuant to PU Code § 1013) or Wireless Identification Registration process (pursuant to Decision (D.) 94-10-031).
2. On June 21, 2018, the Commission adopted Resolution T-17601 that authorized CD Staff to implement a citation program for enforcing compliance by telecommunications carriers with the Commission's Resolutions, Decisions, Orders, and the Public Utilities Code. Resolution T-17601 adopted the citation procedure, a list of violations and associated penalty amounts.
3. Carriers are subject to compliance filings attendant to their operating authority.
4. All carriers are obligated to file their Annual Reports and/or Affiliate Transaction Reports on a calendar year basis due the following year on March 31 and May 1, respectively, pursuant to General Order (GO) 104-A and D.93-02-019.
5. The Commission may suspend or revoke operating authority of telephone carriers that fail to make required annual reports, per D.93-05-010.
6. Communications Division staff undertook proper and reasonable measures to inform and remind the eight (8) telephone carriers listed in Appendix A of their obligations to comply with Commission annual reporting requirements for telecommunication carriers.

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<sup>9</sup> D.07-06-017 established a simplified registration process for NDIEC corporations pursuant to P.U. Code § 1013; D.95-12-056, Appendix C; D.13-05-035, Rule 4.A.

7. The Commission will provide the carriers a final opportunity to achieve full compliance through this Resolution. Within thirty (30) calendar days of the effective date of this Resolution, carrier must pay the citation penalty with late payment fee; and file the outstanding annual reports for calendar year 2018: Operational and Financial Information Report, and/or annual Affiliate Transaction Report.
8. The operating authority granted to the carriers who failed to address the citation within thirty(30) calendar days of this resolution will be revoked.
9. If a carrier's operating authority is revoked, the carrier seeking to continue operating in the State of California must file a request with the CPUC, via a CPCN application or a new WIR request. A carrier whose operating authority has been revoked cannot use the Registration License process pursuant to PU Code § 1013. All carriers shall disclose the previous revocation via sworn affidavit and pay all and any outstanding penalties, interest or fines owed to the Commission to be granted authority to operate in California.
10. The Commission e-mailed a Notice of Availability of this Resolution on October 16, 2020, to all telephone 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.

**THEREFORE, IT IS ORDERED THAT:**

1. Carriers listed in Appendix A shall pay the citation penalty with late payment fee within thirty (30) calendar days from the effective date of this Resolution, by check or money order payable to the California Public Utilities Commission, delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. The carriers shall write on the face of the check or money order "For deposit to the State of California General Fund, per Resolution T-17711."
2. Carriers listed in Appendix A shall file the outstanding annual reports for calendar year 2018: Operational and Financial Information Report, and/or annual Affiliate Transaction Report within thirty (30) calendar days from the effective date of this Resolution. These annual reports shall be submitted via email to [CDcompliance@cpuc.ca.gov](mailto:CDcompliance@cpuc.ca.gov) in a PDF searchable/readable document.

3. If any carrier listed in Appendix A does not pay the citation penalties with late payment fees and submit the annual reports for calendar year 2018 (i.e., Operational and Financial Information Report, and/or annual Affiliate Transaction Report for calendar year 2018) within thirty (30) days from the effective date of this Resolution, the carrier's operating authority shall be revoked 31 days after the effective date of this Resolution and the carrier shall cease operations in the State of California.
4. Carriers seeking to continue operations in the state of California must file a new request from the Commission. Wireline carriers shall file a CPCN application and cannot use the Registration License process pursuant to PU Code § 1013. Wireless carriers shall file a new WIR request. All carriers shall disclose the previous revocation via sworn affidavit and pay all and any outstanding penalties, interest or fines owed to the Commission to be granted authority to operate in California.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on \_\_\_\_\_, the following Commissioners voting favorable thereon:

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RACHEL PETERSON  
Acting Executive Director



## Appendix A

**List of Eight Revoked Carriers**

<b>Count</b>	<b>Citation Number</b>	<b>Corporate ID Number</b>	<b>Utility Name</b>	<b>Total Penalty Amount (including 10% Late Payment)</b>
<b>Six Wireline Carriers Did Not Submit Both an Annual Report (i.e., Operational and Financial Information Report) and Affiliate Transaction Report for Calendar Year 2018</b>				
1	CD-2019-10-30-012	(U-5928-C)	Globalinx Enterprises, Inc	\$2,640
2	CD-2019-10-30-015	(U-6804-C)	Tele Circuit Network Corporation	\$2,640
3	CD-2019-10-30-016	(U-6811-C)	G2 Solutions, LLC	\$2,640
4	CD-2019-10-30-017	(U-6882-C)	Quasar Communications Corporation	\$2,640
5	CD-2019-10-30-021	(U-7104-C)	Express Telecommunications Network LLC	\$2,640
6	CD-2019-10-30-022	(U-7178-C)	Worldwide Marketing Solutions, Inc	\$0 <sup>10</sup>
<b>Two Wireless Carriers Did Not Submit a 2018 Affiliate Transaction Report</b>				
7	CD-2019-10-30-003	(U-3084-C)	Flat West Wireless, LLC	\$1,320
8	CD-2019-10-30-009	(U-4480-C)	Cellspan Inc	\$1,320

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<sup>10</sup> WorldWide Marketing Solutions, Inc (U-7178-C) paid the citation penalty amount, however, it did not file the required reports. Therefore, the company remains noncompliant with Commission annual reporting requirements.